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# Public Transport Annual Fares Review 2016

## Recommendations

That the Board:

- i. Receives the report.
- ii. Approves changes to the PT Fare Schedule at Attachment 1, including: a) rationalise legacy products; b) small annual fare increases in line with RPTP policy; and c) align fares more closely with likely integrated fare levels to minimise HOP fare increases at transition to zonal Integrated Fares.
- iii. Notes that implementation of fare changes is targeted for Sunday 28 February 2016.

## Executive summary

The Regional Public Transport Plan (RPTP) and PT service contracts require an annual review of PT fare schedules to ensure fares keep pace with operating costs and strategic objectives are met. Preparations for the rollout of Integrated Fares, targeted for late July 2016, is the strategic basis for the 2016 annual review. The last review was March 2015.

The default policy driver for the 2016 annual fare review is RPTP policy 5.5 to maintain fares at a level that will achieve farebox recovery targets and 9.2(b)(vi) to undertake an annual fare review and adjustment to ensure fare increase at least keep pace with increased operating costs with additional modest increase to maintain progress towards farebox recovery target. The cost change (NZTA indexation) for the September quarter was +0.5% for bus (proxy for rail) and +0.1% for ferry. Strategic objective is to prepare for the transition to Integrated Fares targeted for July 2016 in line with RPTP policy 5.6 provide incentives to use integrated tickets.

The recommendations to achieve the policy drivers are:

1. market withdrawal of legacy products with low utilisation or price adjustments to align with Integrated Fares stored value;
2. final step in alignment of current fare stage boundaries with future Integrated Fares zone boundaries – CBD and airport zones and Orakei rail;
3. 10c increase on short distance bus/rail adult HOP fares (stages 1-4);

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4. final step in alignment of ferry fares based on distance travelled, creating a three tiered zonal pricing structure for ferry fares; and
5. align Tertiary HOP initial fees with adult initial fees to promote tag-on/off and remove concessions for misuse of ATHOP card.

As a result of these actions the average fare change is +1.5% and the farebox recovery ratio will improve by 0.76% from 47.85% (2015/16 SOI target of 46-48%) and for each mode is projected to increase by 0.77% for bus, from 51.06%; 0.45% for rail, from 31.88%; and 2.35% for ferry, from 77.69%.

The customer context is based on a +0.4% CPI movement over the 12 months to September 2015.

Integrated Fares transition is supported by removing legacy products not aligned to integrated fares, final step in stage and zone boundary alignment and removing potential adult HOP fare increases for 8.9 million trips and reducing potential increase to 10 or 20c for 7 million trips.

## Strategic context

The Regional Public Transport Plan (RPTP) states that AT should “*continue an annual fare review and adjustment process, and ensure that fare increases at least keep pace with increased operating costs (as measured through NZTA indexation) with additional modest increases when necessary to maintain progress towards the farebox recovery target*”. AT also has an obligation to review fare price levels annually within its PT service contracts. The last fares review was implemented in March 2015.

## Background

### a) Fare structure and scope of review

PT fares are regulated through a standard stage-based fare schedule for bus and rail, and a separate point-to-point ferry fare schedule with ticket types of:

- Single-trip adult cash fares (8 x stages for bus/rail, or specific ferry service).
- Discount off the equivalent cash fare for AT HOP.
- Discounted fares for the following concession groups:
  - Minimum 40% off adult HOP fare for child, secondary students and disabled passengers.
  - Minimum 20% off adult HOP fare for tertiary students (equivalent to 35% off adult cash fare).

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- A zone-based AT HOP Monthly Pass and Day Pass.
- Operator and mode specific legacy products.

Exempt services (Airbus Express, Waiheke, Devonport and Stanley Bay ferry services) under the Land Transport Management Act 2003 (LTMA) may charge different fares.

**b) Integrated fares**

A new fare structure based on zone boundaries will be introduced in July 2016 with the deployment of Integrated Fares. This change will result in fare increases across the three modes in addition to removal of existing legacy products and an introduction of complementary products.

**c) Methodology**

The considerations undertaken in the annual review are summarized at Attachment 2. Input considerations include:

- NZTA (cost of contract) indexation of +0.5% bus/rail and +0.1% ferry for September quarter.
- Customer facing: CPI = +0.4% for 12-months to September 2015.
- Patronage and revenue growth on rail and ferry above SOI target, with bus below but within the -2.5% margin.

**Issues and options**

**a) Bus and rail services**

Attachment 1 provides a full list of fare changes.

Recommendation 1. Legacy products price adjustment

Rail legacy products include a variety of child monthly pass options and a family day pass and the recommendation is to retain these products until the introduction of a comparable product under Integrated Fares. In the interim, a slight price increase is suggested in order to bring current product cost closer in line with comparable product costs under Integrated Fares; refer to the table below for details.

Rail Legacy Product	Current Fare	Proposed Fare	2016 Per Trip Change	2016 % Change	Integrated Fares HOP Fare	Differential (Integrated Fares HOP – 2016 Proposed Fare)
City Child Monthly	\$80.00	\$90.00	\$10.00	12.5%	\$68.00	-\$22.000
All Zone Child Monthly	\$110.00	\$130.00	\$20.00	18.2%	\$138.00	+\$8.00



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Regional Child Monthly	\$160.00	\$170.00	\$10.00	6.3%	\$176.00	+\$6.00
Family Pass	\$24.00	\$30.00	\$6.00	25.0%	~\$20 to \$30	-\$10.00 to \$0.00

*Recommendation 2: HOP stages transition to Integrated Fare zones*

The existing stage fare structure includes two known anomaly fares that will be removed under the zone fare structure of Integrated Fares; those being the CBD/Airport zone for bus and the Orakei station 1-stage fare for rail. In preparation for the introduction of Integrated Fares it's proposed that these fares are increased to align with the zone fare levels in order to minimize the impact of Integrated Fares.

- The CBD/Airport stage fare applied to contracted services will be increased to align with HOP 1 stage fare, resulting in a 60c increase.
- The Orakei Rail Station 1-stage fare will be increased to align with the 2-stage bus fare, resulting in a \$1.30-\$2.00 fare increase per trip (\$1.70 adult HOP fare) dependent upon concession type.

*Recommendation 3. 10c increase on short distance bus/rail adult HOP fares (stages 1-4):*

Research has shown that Auckland's short-distance fares are relatively low compared to other cities, while longer distance fares are expensive. Targeting +10c increases to Stage 1-4 HOP fares now will provide additional revenue in a funding-constrained environment, allow a small annual increase to overall fares in line with policy and help to mitigate fare increases at the transition to Integrated Fares in July 2016.

*Bus/Rail Proposal:*

A detailed fare schedule proposal is contained in Attachment 1, with key changes being:

- Majority of fares unchanged.
- The CBD stage will be removed under Integrated Fares, with current customers migrating to a 1-Zone fare, therefore a step increase of up to 60c on \$1.20 is proposed to align current fares with future fares.
- The Orakei 1-stage rail boundary will be removed under Integrated Fares, with current customers migrating to a 2-Zone fare to align to bus, therefore a step increase of between \$0.74 (child) and \$2.00 (Adult cash) to align current fares with future fares.
- 10c increase to adult HOP fares for stages 1-4 requiring a 50c increase to adult stage 3 cash fares.
- Initial HOP fees for tertiary concessions to increase to the adult initial fee price.
- Legacy child monthly and family day pass rail products to increase as a transition to their withdrawal under integrated fares.

This recommendation is supported by policy 9.2, action b(vi) resulting in increases to the farebox recovery ratio from 51.06% to 51.83% for bus; and 31.88% to 32.33% for rail.

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Minor HOP fare changes will also mitigate changes for Integrated Fares. Attachment 3 illustrates how the current stage-based fares will migrate to zonal fares, and how the 2016 annual fares review will help mitigate negative customer impacts and bridge the gap between current and future fare structures, subject to final recommendations to the AT Board in early 2016 on fare prices for Integrated Fares.

**b) Ferry services**

The key driver for the ferry review is to continue fare alignment for services of a similar distance, with a view to ultimately having three ferry “zones” of inner, mid and outer harbour services. As part of this effort, fares were increased by a maximum of 10% to bring current fare levels in line with proposed Integrated Fares levels. Attachment 1 provides a full list of fare changes.

Recommendation 1: rationalize legacy products

Ferry legacy products include a variety of operator and service specific products and it is proposed that these products are removed where possible per operator desires or retained until the introduction of a comparable product under Integrated Fares. As part of the transition to Integrated Fares slight price increase is suggested in order to bring current product costs in line with current and potential Integrated Fares prices as detailed at Attachment 1.

<b>Service/product</b>	<b>Current fare</b>	<b>Proposed fare</b>	<b>2016 Per trip change</b>	<b>2016 % change</b>
Inner Harbour Monthly	\$140.00	\$150.00	\$10.00	7.1%
Inner Harbour Family Pass	\$35.00	\$45.00	\$10.00	28.6%
HMB Monthly	\$250.00	\$250.00	\$0.00	0.0%
HMB Family Pass	\$42.00	\$55.00	\$13.00	31.0%
Pine Harbour 40 Trip	\$395.00	withdraw	N/A	N/A
Pine Harbour Family Pass	\$57.00	\$60.00	\$3.00	5.3%
West Harbour Weekly	\$80.00	withdraw	N/A	N/A
West Harbour Family Pass	\$50.00	\$55.00	\$5.00	10.0%
Gulf Harbour Monthly	\$270.00	\$300.00	\$30.00	11.1%
Gulf Harbour 40 Trip	\$340.00	\$390.00	\$50.00	14.7%
All return passes	Withdraw			

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Recommendation 4: Legacy preparation for Integrated Fares transition

1. Inner-harbour services (Birkenhead/Northcote Point, Bayswater)

- As Devonport is an exempt service under the LTMA, AT does not regulate its fare schedule. However, for operational and customer experience reasons, it is advantageous for all inner harbour ferry services to have the same fare schedule. As such, over the past three years AT has progressively increased the contracted inner harbour services' (Birkenhead and Bayswater) fare levels to close the gap with Devonport.
- Current inner-harbour fares are aligned across all modes but the gap between current fares and Integrated Fares levels ranges from 6.6% to 22.7%. To minimise impacts at the transition to a zonal fare structure, it is recommended that the inner-harbour fares are increased by 10c which lowers the differential between current and future from 6.4% to 17.4%.

2. Mid-harbour services (Beach Haven, Half Moon Bay, Hobsonville, West Harbour)

- With the exception of the Child Cash fare, Hobsonville and West Harbour HOP fares will remain static. The Child Cash fare will be increased by 50c to match the proposed integrated fares level. Other fares will be reduced once Integrated Fares is in place.
- Half Moon Bay fares will be increased up to 85c to be more comparable to other services of a similar distance and closer to the Integrated Fares fare level.
- Beach Haven fares will be increased up to 80c to be more comparable to other services of a similar distance and closer to the Integrated Fares fare level.

3. Outer-harbour services (Pine Harbour, Gulf Harbour)

- Gulf Harbour fares will be held (except for a small 10c increase to the child cash fare in order to match the Integrated Fares cost). Further fare reduction is expected with the release of Integrated Fares.
- Pine Harbour fares will increase up to \$1.20 to progress alignment with Gulf Harbour and Integrated Fares fare levels.

**c) Tertiary initial fee – all modes**

At the start of a trip passengers must tag on using their HOP smartcard and based on the customer profile associated with the AT HOP smartcard an initial fee is deducted from their HOP balance. At the end of a trip passengers must tag off and the difference between the initial fee and actual fare will be calculated and funds credited back or deducted from the HOP balance as required. The initial fee represents the penalty applied to the HOP balance in the event a customer does not tag off at the end of their trip. Likewise, if a customer fails to tag on at the start of the trip and tags off at the end of the trip, the initial fee will be applied at tag off.

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Prior to the 2016 review the initial fee for tertiary concession holders was discounted at a minimum of 20% of adult HOP fares. The 2016 fare review proposes an increase to bring the tertiary initial fee in line with the adult initial fee. The intent of this change is to remove fare discounts for misuse of AT HOP cards for tertiary concession holders and treat tertiary students similarly to adults considering that tertiary students are age 18 and older.

**d) Financial impact**

The overall change in revenue from the fare schedules proposed is as follows:

Mode	Average weighted fare increase	Revenue increase	AT revenue increase	Change in FBR
Bus	1.50%	\$1.800M	\$205,670	~+0.77%
Rail	1.41%	\$0.605M	\$604,691	~+0.45%
Ferry	3.03%	\$0.222M	\$327	~+2.35%
<b>Total</b>	<b>1.55%</b>	<b>\$2.627M</b>	<b>\$810,688</b>	<b>~+0.76%</b>

The target fare box recovery ratio policy is for a 50% user-pays fare contribution. The proposed 2016 fare changes would improve the current ratio by 0.76% from 47.85% to 48.61%.

It is considered good practice to increase fares annually in small amounts rather than have irregular large price spikes.

It is estimated that approximately \$810,000 of additional revenue will be generated from gross/management contracts across all modes for AT. This will contribute to reducing the funding gap for integrated fares and is prudent within increasing funding constraints and recent cost increases through indexation and service increases across bus and rail services.

**e) Stakeholder engagement**

Operators

Communication regarding the proposed fare changes were sent in early-December with an opportunity to provide feedback. Operators will be notified of the confirmed fare schedule post AT board approval.

Customers and other stakeholders

Media release/briefings and customer communications material will be developed post board approval. Customers will be notified of any changes at least two weeks in advance of implementation. Media and other stakeholders such as Public Transport advocacy groups will be briefed individually.

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**f) Timing of review and communication management**

This increase is proposed to be implemented at a time of perceived direct cost reductions and cheaper private car use due to the recent decline in oil prices. There may also be some resistance to the changes occurring in February 2016 only two months after an increase to the AT HOP smartcard costs and public knowledge of a concessionary fare review and changes to the national SuperGold scheme. It is therefore proposed that fare changes be introduced in late February to provide a minimum of a four month lag between annual fare review changes and future fare changes resulting from concession fare reviews, government changes to SuperGold, and further fare changes resulting from Integrated Fares, subject to adequate time for AT HOP system changes.

Communications key messages:

- Majority of fares unchanged.
- Small annual review of fares to align to cost changes and avoid infrequent price spikes.
- Final preparations for simpler zonal integrated fares in mid-2016, removing some poorly utilized ticket products and completion of bus/rail fare alignment.
- CBD/Airport zone removal in preparation for change to larger and simpler Integrated Fares zones.
- Continued alignment of ferry fares to distance travelled.

**Next steps**

No.	Description	Timeline
1	Seek AT Board approval on recommendations	15 December 2015
2	Feedback to operators on new Fares Schedule	December 2015
3	HOP system development and testing	Jan-Feb 2016
4	Media and customer communications prepared	Jan-Feb 2016
5	Fare changes implemented	Jan – 28 Feb 2016







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## Attachments

Attachment Number	Description
1	Proposed 2016 Fare Schedule
2	Annual PT fare review considerations

## Document ownership

Submitted by	Colin Homan <b>PT Commercial Manager AT Metro</b>	
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Approved for submission		

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## Glossary

Acronym	Description
AT	Auckland Transport
FBR	Fare-Box Recovery
LTMA	Land Transport Management Act 2003
NZTA	New Zealand Transport Agency
RPTP	Regional Public Transport Plan 2013

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**Attachment 1 – Proposed 2016 fare schedule**

**Bus and Rail**

Product	Current fare	Proposed fare	Per trip change	Approx % of bus passengers affected	Approx % of train passengers affected	Discount / premium		
Adult HOP CityLINK Fare	\$0.50	\$0.50	\$0.00	1.5%	0.0%	-50.0%	Discount on adult cash	"At least 20% discount on adult cash"
Adult HOP CBD Fare	\$1.20	\$1.80	\$0.60	1.0%	0.0%	-28.0%		
Adult HOP 1 Stage	\$1.70	\$1.80	\$0.10	12.1%	8.1%	-28.0%		
Adult HOP 1 Stage - Orakei	\$1.70	\$3.10	\$1.40		0.8%	-31.1%		
Adult HOP 2 Stage	\$3.00	\$3.10	\$0.10	8.0%	11.1%	-31.1%		
Adult HOP 3 Stage	\$4.00	\$4.10	\$0.10	6.9%	9.1%	-25.5%		
Adult HOP 4 Stage	\$4.80	\$4.90	\$0.10	2.6%	6.4%	-24.6%		
Adult HOP 5 Stage	\$6.00	\$6.00	\$0.00	0.5%	3.2%	-25.0%		
Adult HOP 6 Stage	\$6.80	\$6.80	\$0.00	0.1%	1.1%	-20.0%		
Adult HOP 7 Stage	\$7.60	\$7.60	\$0.00	0.0%	0.1%	-20.0%		
Adult HOP 8 Stage	\$8.40	\$8.40	\$0.00	0.0%	0.3%	-20.0%		
Adult Cash CityLINK Fare	\$1.00	\$1.00	\$0.00	0.5%	0.0%	100.0%	Premium on adult HOP	"At least 25% premium on adult HOP"
Adult Cash CBD Fare	\$2.00	\$2.50	\$0.50	0.2%	0.0%	38.9%		
Adult Cash 1 Stage	\$2.50	\$2.50	\$0.00	6.5%	2.9%	38.9%		
Adult Cash 1 Stage - Orakei	\$2.50	\$4.50	\$2.00		0.3%	45.2%		
Adult Cash 2 Stage	\$4.50	\$4.50	\$0.00	2.4%	2.0%	45.2%		
Adult Cash 3 Stage	\$5.00	\$5.50	\$0.50	1.7%	2.4%	34.1%		
Adult Cash 4 Stage	\$6.50	\$6.50	\$0.00	0.5%	1.1%	32.7%		
Adult Cash 5 Stage	\$8.00	\$8.00	\$0.00	0.1%	0.8%	33.3%		
Adult Cash 6 Stage	\$8.50	\$8.50	\$0.00	0.0%	0.3%	25.0%		
Adult Cash 7 Stage	\$9.50	\$9.50	\$0.00	0.0%	0.0%	25.0%		
Adult Cash 8 Stage	\$10.50	\$10.50	\$0.00	0.0%	0.1%	25.0%		
Child HOP CityLINK Fare	\$0.30	\$0.30	\$0.00	0.1%	0.0%	-40.0%	Discount on adult HOP	"At least 40% discount on adult HOP"
Child HOP CBD Fare	\$0.72	\$0.99	\$0.27	0.2%	0.0%	-45.0%		
Child HOP 1 Stage	\$0.99	\$0.99	\$0.00	7.1%	1.9%	-45.0%		
Child HOP 1 Stage - Orakei	\$0.99	\$1.73	\$0.74		0.2%	-44.2%		
Child HOP 2 Stage	\$1.73	\$1.73	\$0.00	3.3%	2.3%	-44.2%		
Child HOP 3 Stage	\$2.29	\$2.29	\$0.00	1.3%	2.1%	-44.1%		
Child HOP 4 Stage	\$2.88	\$2.88	\$0.00	0.5%	1.1%	-41.2%		
Child HOP 5 Stage	\$3.55	\$3.55	\$0.00	0.2%	0.6%	-40.8%		
Child HOP 6 Stage	\$4.00	\$4.00	\$0.00	0.1%	0.1%	-41.2%		
Child HOP 7 Stage	\$4.40	\$4.40	\$0.00	0.0%	0.1%	-42.1%		
Child HOP 8 Stage	\$5.04	\$5.04	\$0.00	0.0%	0.0%	-40.0%		
Child Cash CityLINK Fare	\$0.50	\$0.50	\$0.00	0.0%	0.0%	66.7%	Premium on child HOP	"At least 25% premium on child HOP"
Child Cash CBD Fare	\$1.00	\$1.50	\$0.50	0.0%	0.0%	51.5%		
Child Cash 1 Stage	\$1.50	\$1.50	\$0.00	3.3%	1.5%	51.5%		
Child Cash 1 Stage - Orakei	\$1.50	\$2.50	\$1.00		0.1%	44.5%		
Child Cash 2 Stage	\$2.50	\$2.50	\$0.00	1.2%	1.1%	44.5%		
Child Cash 3 Stage	\$3.00	\$3.00	\$0.00	0.4%	0.8%	31.0%		
Child Cash 4 Stage	\$4.00	\$4.00	\$0.00	0.1%	0.4%	38.9%		
Child Cash 5 Stage	\$4.50	\$4.50	\$0.00	0.0%	0.3%	26.8%		
Child Cash 6 Stage	\$5.00	\$5.00	\$0.00	0.0%	0.1%	25.0%		
Child Cash 7 Stage	\$5.50	\$5.50	\$0.00	0.0%	0.0%	25.0%		
Child Cash 8 Stage	\$6.50	\$6.50	\$0.00	0.0%	0.0%	29.0%		
Tertiary HOP CityLINK	\$0.40	\$0.40	\$0.00	0.7%	0.0%	-20.0%	Discount on adult HOP	"At least 20% discount on adult HOP"
Tertiary HOP CBD Fare	\$0.96	\$1.28	\$0.32	0.7%	0.0%	-28.9%		
Tertiary HOP 1 Stage	\$1.28	\$1.28	\$0.00	4.8%	2.1%	-28.9%		
Tertiary HOP 1 Stage - Orakei	\$1.28	\$2.31	\$1.03		0.2%	-25.5%		
Tertiary HOP 2 Stage	\$2.31	\$2.31	\$0.00	4.5%	3.0%	-25.5%		
Tertiary HOP 3 Stage	\$2.92	\$2.92	\$0.00	4.9%	4.3%	-28.8%		
Tertiary HOP 4 Stage	\$3.64	\$3.64	\$0.00	1.8%	4.2%	-25.7%		
Tertiary HOP 5 Stage	\$4.52	\$4.52	\$0.00	0.6%	3.5%	-24.7%		
Tertiary HOP 6 Stage	\$5.08	\$5.08	\$0.00	0.1%	1.1%	-25.3%		
Tertiary HOP 7 Stage	\$5.85	\$5.85	\$0.00	0.0%	0.1%	-23.0%		
Tertiary HOP 8 Stage	\$6.69	\$6.69	\$0.00	0.0%	0.3%	-20.4%		
Supergold	\$0.00	\$0.00	\$0.00	11.3%	7.3%			
HOP Daily Pass (2 Zone)	\$16.00	\$16.00	\$0.00	0.1%	0.2%			
HOP Daily Pass (3 Zone)	\$22.00	\$22.00	\$0.00	0.0%	0.0%			
HOP Monthly Pass (1 Zone)	\$140.00	\$140.00	\$0.00	3.0%	5.1%			
HOP Monthly Pass (2 Zone)	\$190.00	\$200.00	\$10.00	3.4%	5.7%			
HOP Monthly Pass (3 Zone)	\$250.00	\$250.00	\$0.00	0.1%	0.2%			
Staff Pass	n/a	n/a	n/a	0.1%	0.0%			

- Increase the Orakei Rail Station fare to a HOP 2 stage fare
- No change to Waiheke Bus Company fares

Rail legacy products	Current	Proposed	Per Trip	
	Fare	Fare	change	% change
City child monthly	\$80.00	\$90.00	\$10.00	12.5%
All zone child monthly	\$110.00	\$130.00	\$20.00	18.2%
Regional child monthly	\$160.00	\$170.00	\$10.00	6.3%
Family pass	\$24.00	\$30.00	\$6.00	25.0%



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Ferry

	Service/product	Current fare	Proposed fare	Per trip change	% change	Customer impacted	% of Pax Change	# of Pax change	16 FR Average customer impact	Proposed IF fare	Per trip change	% change	
Inner Harbour	<b>Bayswater/Birkenhead/Devonport (commercial - dependent on Fullers)</b>												
	Adult HOP	\$4.40	\$4.50	\$0.10	2.3%	199943	-0.77%	-1545	16.50%	\$4.80	\$0.30	6.7%	
	Adult Cash	\$6.10	\$6.20	\$0.10	1.6%	175252	-0.56%	-977	14.47%	\$6.50	\$0.30	4.8%	
	Child HOP	\$2.20	\$2.30	\$0.10	4.5%	5392	-1.55%	-83	0.45%	\$2.70	\$0.40	17.4%	
	Child Cash	\$3.60	\$3.70	\$0.10	2.8%	9273	-0.94%	-88	0.77%	\$4.00	\$0.30	8.1%	
	Tertiary HOP	\$3.50	\$3.60	\$0.10	2.9%	20804	-0.97%	-202	1.72%	\$3.83	\$0.23	6.4%	
Mid Harbour	<b>Half Moon Bay</b>												
	Adult HOP	\$6.88	\$7.57	\$0.69	10.0%	187717	-3.41%	-6401	15.49%	\$7.60	\$0.03	0.4%	
	Adult Cash	\$8.60	\$9.46	\$0.86	10.0%	91438	-3.40%	-3109	7.55%	\$9.50	\$0.04	0.4%	
	Child HOP	\$4.08	\$4.40	\$0.32	7.8%	7782	-2.67%	-208	0.64%	\$4.40	\$0.00	0.0%	
	Child Cash	\$5.10	\$5.61	\$0.51	10.0%	13426	-3.40%	-456	1.11%	\$6.50	\$0.89	15.9%	
		Tertiary HOP	\$5.50	\$5.90	\$0.40	7.3%	39401	-2.47%	-974	3.25%	\$5.90	\$0.00	0.0%
		<b>West Harbour / Hobsonville</b>											
		Adult HOP	\$8.00	\$8.00	\$0.00	0.0%	79595	0.00%	0	6.57%	\$7.60	-\$0.40	-5.0%
		Adult Cash	\$10.00	\$10.00	\$0.00	0.0%	15379	0.00%	0	1.27%	\$9.50	-\$0.50	-5.0%
		Child HOP	\$4.80	\$4.80	\$0.00	0.0%	1741	0.00%	0	0.14%	\$4.40	-\$0.40	-8.3%
		Child Cash	\$6.00	\$6.50	\$0.50	8.3%	1189	-2.83%	-34	0.10%	\$6.50	\$0.00	0.0%
		Tertiary HOP	\$6.40	\$6.40	\$0.00	0.0%	14141	0.00%	0	1.17%	\$5.90	-\$0.50	-7.8%
		<b>Beach Haven</b>											
		Adult HOP	\$6.40	\$7.04	\$0.64	10.0%	7367	-3.40%	-250	0.61%	\$7.60	\$0.56	8.0%
		Adult Cash	\$8.00	\$8.80	\$0.80	10.0%	795	-3.40%	-27	0.07%	\$9.50	\$0.70	8.0%
	Child HOP	\$3.84	\$4.22	\$0.38	9.9%	81	-3.36%	-3	0.01%	\$4.40	\$0.18	4.3%	
	Child Cash	\$4.80	\$5.28	\$0.48	10.0%	0	-3.40%	0	0.00%	\$6.50	\$1.22	23.1%	
	Tertiary HOP	\$5.12	\$5.63	\$0.51	10.0%	416	-3.39%	-14	0.03%	\$5.90	\$0.27	4.8%	
Outer Harbour	<b>Gulf Harbour</b>												
	Adult HOP	\$11.20	\$11.20	\$0.00	0.0%	5957	0.00%	0	0.49%	\$11.00	-\$0.20	-1.8%	
	Adult Cash	\$14.00	\$14.00	\$0.00	0.0%	109016	0.00%	0	9.00%	\$14.00	\$0.00	0.0%	
	Child HOP	\$6.72	\$6.72	\$0.00	0.0%	1872	0.00%	0	0.15%	\$6.20	-\$0.52	-7.7%	
	Child Cash	\$8.40	\$8.50	\$0.10	1.2%	0	-0.40%	0	0.00%	\$8.50	\$0.00	0.0%	
		Tertiary HOP	\$8.96	\$8.96	\$0.00	0.0%	3376	0.00%	0	0.28%	\$8.80	-\$0.16	-1.8%
		<b>Pine Harbour</b>											
		Adult HOP	\$10.20	\$11.00	\$0.80	7.8%	41623	-2.67%	-1110	3.44%	\$11.00	\$0.00	0.0%
		Adult Cash	\$12.80	\$14.00	\$1.20	9.4%	61746	-3.19%	-1968	5.10%	\$14.00	\$0.00	0.0%
		Child HOP	\$5.16	\$5.67	\$0.51	9.9%	1816	-3.36%	-61	0.15%	\$6.20	\$0.53	9.3%
	Child Cash	\$7.60	\$8.35	\$0.75	9.9%	3587	-3.36%	-120	0.30%	\$8.50	\$0.15	1.8%	
	Tertiary HOP	\$7.60	\$8.36	\$0.76	10.0%	17998	-3.40%	-612	1.49%	\$8.80	\$0.44	5.3%	
	<b>Beach Haven to Hobsonville</b>												
	Adult HOP	\$2.40	\$2.40	\$0.00	0.0%	597	0.00%	0	0.05%	\$1.70	-\$0.70	-29.2%	
	Adult Cash	\$3.00	\$3.30	\$0.30	10.0%	6	-3.40%	0	0.00%	\$3.50	\$0.20	6.1%	
	Child HOP	\$1.44	\$1.44	\$0.00	0.0%	7	0.00%	0	0.00%	\$1.00	-\$0.44	-30.6%	
	Child Cash	\$1.80	\$1.98	\$0.20	10.0%	0	-3.40%	0	0.00%	\$2.00	\$0.02	1.0%	
	Tertiary HOP	\$1.92	\$1.92	\$0.00	0.0%	34	0.00%	0	0.00%	\$1.30	-\$0.62	-32.3%	
Inner Harbour	Monthly		\$150.00	\$150.00		May need to defer to Integrated Fares				\$150.00	\$0.00	0.0%	
Mid Harbour	Monthly	Does not exist	\$250.00	\$250.00						\$250.00	\$0.00	0.0%	
Outer Harbour	Monthly	Does not exist	\$300.00	\$300.00						\$325.00	\$25.00	8.3%	

Operator specific products (suggested fares for operators)

Service/product	Current fare	Proposed fare	Per trip change	% change
Inner Harbour Monthly	\$140.00	\$150.00	\$10.00	7.1%
Inner Harbour Family Pass	\$35.00	\$45.00	\$10.00	28.6%
HMB Monthly	\$250.00	\$250.00	\$0.00	0.0%
HMB Family Pass	\$42.00	\$55.00	\$13.00	31.0%
Pine Harbour 40 Trip	\$395.00	w ithdraw	N/A	N/A
Pine Harbour Family Pass	\$57.00	\$60.00	\$3.00	5.3%
West Harbour Weekly	\$80.00	w ithdraw	N/A	N/A
West Harbour Family Pass	\$50.00	\$55.00	\$5.00	10.0%
Gulf Harbour Monthly	\$270.00	\$300.00	\$30.00	11.1%
Gulf Harbour 40 Trip	\$340.00	\$390.00	\$50.00	14.7%
All return passes		Withdraw		



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**Attachment 2 – Annual PT fare review considerations**

It is good industry practice to review indexation of public transport fares annually. To derive a recommended fare schedule, AT undertakes an analysis of cost, revenue and patronage movements to estimate the net commercial impact. This provides an initial determination for fare schedule changes and is assessed against a range of variables/drivers. A summary of the relationship between the various inputs is illustrated below:

No.	Inputs/drivers	Targets/use of input	Sources
1	Operating costs (% change)	% revenue change should at least equal % cost change	NZTA indexation (with operator submissions) <sup>1</sup>
2	Policy framework	Changes should be consistent with policy framework	RPTP policies, SOI targets
3	Strategic objectives	Changes should facilitate/contribute to any AT strategic projects (e.g. integrated fares)	Desktop analysis
4	Relativity between products/discounts	Consistent % concessions/discounts	Desktop analysis
5	Patronage trends	If patronage is decreasing, large fare increases are not recommended	KPI report
6	Customer impact	Changes should have a positive customer impact (e.g. 50c rounding speeds up boarding) <sup>2</sup> or explain rationality for higher fares.	Desktop analysis
7	Average weighted fare change	Average % fare change should be similar to CPI	Patronage by product profile ex Business Objects
8	Patronage impact	Changes should minimise any impact on patronage <sup>3</sup>	Elasticity analysis
9	Revenue impact	% revenue change should at least equal % cost change Farebox recovery ratio should not decrease	Desktop analysis using (8) and (9)

It will not be possible to achieve all targets, as some are mutually exclusive. Therefore AT will need to balance any competing demands and trade-offs to derive a fare schedule that best meets the overarching objectives of the RPTP. Note the above list is not ranked in order of importance – all variables are considered equally (i.e. it's not a weighting exercise).

<sup>1</sup> If any operator(s) believe the NZTA indexation does not adequately cover their cost increases, they can make a submission to AT explaining why (with sufficient evidence), and AT will take this into consideration along with the other variables above.

<sup>2</sup> Excludes consideration of any fare increases

<sup>3</sup> Any fare increase will lead to a calculated patronage loss based on mathematical elasticities.

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**Attachment 3 – stage to zone migration  
 Adult HOP fares**

Stage to Zone Fare Comparison for Adult HOP under Scenario 4: Final																	
Current Patronage	Stages	Stage Fare	Stage Pax %	Current Patronage	Fare Change %	Fare Change \$	Stages	Stage Fare	Stage Pax %	Current Patronage	Zone Pax %	Fare Change %	Fare Change \$	Zone Fare	Zone	Current Patronage	
Major Fare Impacted Scenarios																	
901,637	CityLINK	\$0.50	100%	901,637	0%	\$0.00	CityLINK	\$0.50	100%	901,637	100%	0%	\$0.00	\$0.50	CityLINK	901,637	
607,237	CBD	\$1.20	100%	607,237	50%	\$0.60	1	\$1.80	98%	8,886,644	84%	0%	\$0.00				
8,603,783	1	\$1.70	99%	8,490,720	6%	\$0.10	1	\$1.80	25%	1,638,215	13%	-42%	-\$1.30	\$1.80	1	10,861,301	
			1%	113,063	82%	\$1.40											
6,473,408	2	\$3.00	100%	6,473,408	3%	\$0.10	2	\$3.10	75%	4,862,663	45%	6%	\$0.20	\$3.30	2	10,473,207	
5,487,764	3	\$4.00	100%	5,487,764	2%	\$0.10	3	\$4.10	94%	5,134,752	51%	-20%	-\$0.80				
							2%	111,966	4%	22%	\$0.90						
2,516,772	4	\$4.80	100%	2,516,772	2%	\$0.10	4	\$4.90	90%	2,264,534	71%	2%	\$0.10	\$5.00	3	2,957,173	
751,927	5	\$6.00	100%	751,927	0%	\$0.00	5	\$6.00	70%	529,639	23%	-17%	-\$1.00				
									27%	202,244	38%	8%	\$0.50				
202,867	6	\$6.80	100%	202,867	0%	\$0.00	6	\$6.80	75%	152,159	36%	-4%	-\$0.30	\$6.50	4	434,744	
47,135	7	\$7.60	100%	47,135	0%	\$0.00	7	\$7.60	94%	44,522	12%	-14%	-\$1.10				
64,012	8	\$8.40	100%	64,012	0%	\$0.00	8	\$8.40	56%	35,818	14%	-23%	-\$1.90	\$8.20	5	28,481	
									44%	27,997	99%	-2%	-\$0.20				
Other Negatively Fare Impacted Scenarios																	
	1*	\$1.80	2%	211,313	2%	\$1.50			2%	211,313	2%	83%	\$1.50	\$3.30	2*		
	2*	\$3.10	0%	677	0%	\$1.90			0%	677	0%	61%	\$1.90	\$5.00	3*		
	7*	\$7.60	1%	485	1%	\$0.60			1%	485	1%	8%	\$0.60	\$8.20	5*		

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Adult cash fares

Stage to Zone Fare Comparison for Adult Cash under Scenario 4: Final																	
Current Patronage	Stages	Stage Fare	Stage Pax %	Current Patronage	Fare Change %	Fare Change \$	Stages	Stage Fare	Stage Pax %	Current Patronage	Zone Pax %	Fare Change %	Fare Change \$	Zone Fare	Zone	Current Patronage	
Major Fare Impacted Scenarios																	
295,686	CityLINK	\$1.00	100%	295,686	0%	\$0.00	CityLINK	\$1.00	100%	295,686	100%	0%	\$0.00	\$1.00	CityLINK	295,686	
110,724	CBD	\$2.00	100%	110,724	25%	\$0.50	1	\$2.50	98%	4,384,048	82%	40%	\$1.00	\$3.50	1	5,023,749	
4,400,349	1	\$2.50	99%	4,360,107	0%	\$0.00	1	\$2.50	1%	40,242	80%	\$2.00					
1,755,376	2	\$4.50	100%	1,755,376	0%	\$0.00	2	\$4.50	29%	519,062	14%	-22%	-\$1.00	\$5.00	2	2,668,322	
1,373,803	3	\$5.00	100%	1,373,803	10%	\$0.50	2	\$4.50	71%	1,247,800	45%	11%	\$0.50				
474,349	4	\$6.50	100%	474,349	0%	\$0.00	3	\$5.50	92%	1,257,629	51%	-9%	-\$0.50	\$7.50	3	598,923	
192,159	5	\$8.00	100%	192,159	0%	\$0.00	3	\$5.50	1%	19,779	3%	36%	\$2.00				
67,480	6	\$8.50	100%	67,480	0%	\$0.00	4	\$6.50	87%	410,373	71%	15%	\$1.00	\$10.00	4	118,732	
13,985	7	\$9.50	100%	13,985	0%	\$0.00	4	\$6.50	76%	145,600	23%	-6%	-\$0.50				
29,572	8	\$10.50	100%	29,572	0%	\$0.00	5	\$8.00	21%	39,719	30%	25%	\$2.00	\$12.00	5	8,072	
							6	\$8.50	65%	43,915	29%	18%	\$1.50				
							7	\$9.50	97%	13,534	18%	5%	\$0.50				
							8	\$10.50	73%	21,564	23%	-5%	-\$0.50				
									27%	7,954	98%	14%	\$1.50				
Other Negatively Fare Impacted Scenarios																	
							1*	\$2.50	2%	86,783	2%	100%	\$2.50	\$5.00	2*		
							2*	\$4.50	0%	153	0%	67%	\$3.00	\$7.50	3*		
							7*	\$9.50	1%	117	2%	26%	\$2.50	\$12.00	5*		
8,713,484											8,713,484						8,713,484

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Child HOP fares

Current Patronage	Stages	Stage Fare	Stage Pax %	Current Patronage	Fare Change %	Fare Change \$	Stages	Stage Fare	Stage Pax %	Current Patronage	Zone Pax %	Fare Change %	Fare Change \$	Zone Fare	Zone	Current Patronage
<b>Major Fare Impacted Scenarios</b>																
85,824	CityLINK	\$0.30	100%	85,824	0%	\$0.00	CityLINK	\$0.30	100%	85,824	100%	0%	\$0.00	\$0.30	CityLINK	85,824
99,848	CBD	\$0.72	100%	99,848	38%	\$0.27	1	\$0.99	97%	4,517,956	75%	11%	\$0.11	\$1.10	1	6,004,318
4,571,394	1	\$0.99	99%	4,544,588	0%	\$0.00	2	\$1.73	53%	1,250,654	21%	-36%	-\$0.63	\$1.90	2	2,150,522
2,316,503	2	\$1.73	1%	26,806	75%	\$0.74	3	\$2.29	47%	1,078,835	55%	10%	\$0.17	\$2.90	3	584,247
1,115,058	3	\$2.29	100%	1,115,058	0%	\$0.00	4	\$2.88	72%	804,681	34%	-17%	-\$0.39	\$3.80	4	68,061
439,790	4	\$2.88	100%	439,790	0%	\$0.00	5	\$3.55	9%	101,911	17%	27%	\$0.61	\$4.70	5	5,651
198,115	5	\$3.55	100%	198,115	0%	\$0.00	6	\$4.00	71%	311,530	54%	1%	\$0.02	\$4.70	5	5,651
53,188	6	\$4.00	100%	53,188	0%	\$0.00	7	\$4.40	17%	32,796	46%	7%	\$0.25	\$4.70	5	5,651
9,670	7	\$4.40	100%	9,670	0%	\$0.00	8	\$5.04	42%	22,320	34%	-5%	-\$0.20	\$4.70	5	5,651
9,232	8	\$5.04	100%	9,232	0%	\$0.00	8	\$5.04	96%	9,327	14%	-14%	-\$0.60	\$4.70	5	5,651
									39%	3,617	6%	-25%	-\$1.24	\$4.70	5	5,651
									61%	5,586	99%	-7%	-\$0.34	\$4.70	5	5,651
<b>Other Negatively Fare Impacted Scenarios</b>																
	1*	\$0.99	3%	125,672	6%	\$0.91	1*	\$0.99	0%	795	0%	193%	\$1.91	\$2.90	3*	
	2*	\$1.73	0%	1,354	0%	\$1.17	2*	\$1.73	0%	1,354	0%	68%	\$1.17	\$2.90	3*	
	7*	\$4.40	1%	65	1%	\$0.30	7*	\$4.40	1%	65	1%	7%	\$0.30	\$4.70	5*	
8,898,622				8,898,622												8,898,622



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Child cash fares

Current Patronage	Stages	Stage Fare	Stage Pax %	Current Patronage	Fare Change %	Fare Change \$	Stages	Stage Fare	Stage Pax %	Current Patronage	Zone Pax %	Fare Change %	Fare Change \$	Zone Fare	Zone	Current Patronage
Major Fare Impacted Scenarios																
24,883	CityLINK	\$0.50	100%	24,883	0%	\$0.00	CityLINK	\$0.50	100%	24,883	100%	0%	\$0.00	\$0.50	CityLINK	24,883
12,985	CBD	\$1.00	100%	12,985	50%	\$0.50	1	\$1.50	51%	1,133,511	76%	33%	\$0.50			
2,218,450	1	\$1.50	99%	2,197,856	0%	\$0.00	1	\$1.50	57%	513,123	20%	-20%	-\$0.50	\$2.00	1	2,747,980
			1%	20,594	67%	\$1.00										
884,556	2	\$2.50	100%	884,556	0%	\$0.00	2	\$2.50	43%	382,709	55%	20%	\$0.50	\$3.00	2	728,940
									72%	240,105	34%	0%	\$0.00			
334,883	3	\$3.00	100%	334,883	0%	\$0.00	3	\$3.00	6%	21,196	13%	50%	\$1.50			
140,488	4	\$4.00	100%	140,488	0%	\$0.00	4	\$4.00	70%	98,994	54%	13%	\$0.50	\$4.50	3	185,230
61,281	5	\$4.50	100%	61,281	0%	\$0.00	5	\$4.50	78%	47,731	25%	0%	\$0.00			
									13%	7,856	44%	33%	\$1.50			
23,840	6	\$5.00	100%	23,840	0%	\$0.00	6	\$5.00	28%	6,583	30%	20%	\$1.00	\$6.00	4	23,323
3,753	7	\$5.50	100%	3,753	0%	\$0.00	7	\$5.50	97%	3,636	15%	9%	\$0.50			
									57%	5,247	10%	-8%	-\$0.50			
9,237	8	\$6.50	100%	9,237	0%	\$0.00	8	\$6.50	61%	5,589	99%	8%	\$0.50	\$7.00	5	5,614
Other Negatively Fare Impacted Scenarios																
	1*	\$1.50	1%	30,799	7%	\$1.50								\$3.00	2*	
	1*	\$1.50	0%	237	0%	\$3.00								\$4.50	3*	
	2*	\$2.50	0%	416	0%	\$2.00								\$4.50	3*	
	7*	\$5.50	1%	25	1%	\$1.50								\$7.00	5*	
3,714,357																3,714,357
															3,715,970	

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Teritary fares (concession available on HOP only)

Current Patronage	Stages	Stage Fare	Stage Pax %	Current Patronage	Fare Change %	Fare Change \$	Stages	Stage Fare	Stage Pax %	Current Patronage	Zone Pax %	Fare Change %	Fare Change \$	Zone Fare	Zone	Current Patronage
Major Fare Impacted Scenarios																
438,192	CityLINK	\$0.40	100%	438,192	0%	\$0.00	CityLINK	\$0.40	100%	438,192	100%	0%	\$0.00	\$0.40	CityLINK	438,192
405,791	CBD	\$0.96	100%	405,791	33%	\$0.32	1	\$1.28	97%	3,499,943	85%	13%	\$0.17			
3,224,920	1	\$1.28	99%	3,195,626	0%	\$0.00	1	\$1.28	15%	466,992	12%	-37%	-\$0.86	\$1.45	1	5,970,859
			1%	29,295	80%	\$1.03										
3,123,991	2	\$2.31	100%	3,123,991	0%	\$0.00	2	\$2.31	85%	2,661,323	42%	13%	\$0.29	\$2.60	2	4,671,324
									97%	3,488,673	55%	-11%	-\$0.32			
3,592,804	3	\$2.92	100%	3,592,804	0%	\$0.00	3	\$2.92	1%	35,365	1%	37%	\$1.08			
1,716,981	4	\$3.64	100%	1,716,981	0%	\$0.00	4	\$3.64	96%	1,640,864	71%	10%	\$0.36	\$4.00	3	2,297,403
902,638	5	\$4.52	100%	902,638	0%	\$0.00	5	\$4.52	70%	629,350	26%	-12%	-\$0.52			
208,142	6	\$5.08	100%	208,142	0%	\$0.00	6	\$5.08	29%	263,630	53%	15%	\$0.68	\$5.20	4	291,082
31,084	7	\$5.85	100%	31,084	0%	\$0.00	7	\$5.85	81%	168,778	36%	2%	\$0.12			
62,097	8	\$6.69	100%	62,097	0%	\$0.00	8	\$6.69	96%	29,982	6%	-11%	-\$0.65			
									33%	20,718	4%	-22%	-\$1.49	\$6.50	5	37,781
									67%	41,335	99%	-3%	-\$0.19			
Other Negatively Fare Impacted Scenarios																
	1*	\$1.28	3%	101,473	1%	\$1.32								\$2.60	2*	
	2*	\$2.31	0%	16	0%	\$1.69								\$4.00	3*	
	7*	\$5.85	1%	449	1%	\$0.65								\$6.50	5*	
13,706,641																13,706,641