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\$0 Child Weekend Fares

Recommendation

That the Board:

- i. Notes a 100% discount on child fares (under the age of 16) on all AT buses, trains and participating ferries [Attachment 1] on weekends and public holidays from Saturday 7 September 2019;
- ii. Notes the AT 2019/20 budget includes for this change to the public transport fare structure as approved at the 11 June 2019 AT Board meeting subject to any further commercial negotiations for the exempt Devonport Ferry and exempt Waiheke Ferry where additional funding would need to be provided by Auckland Council or the existing AT's Metro services budget;
- iii. Notes use of AT HOP card as the means of providing a 100% discount, which emulates the existing \$0.99 child weekend concession;
- iv. Approves the change in policy 5.3D of the 2018 Regional Public Transport Plan from "Provide incentives for weekend family travel by offering a 1-zone AT HOP weekend child fare" to "Provide incentives for weekend family travel by offering a 100% discounted AT HOP weekend and public holiday child fare".

Executive summary

1. As part of the 2019/20 Mayor and Council budget considerations, Auckland Council recently voted to endorse 100% discounted weekend and public holiday public transport for children between 5 to 15 years old using a AT HOP card, with additional annualised operational funding of \$643,000. This included analysis based on AT HOP fares, excluding non-AT HOP child fares on the exempt Devonport Ferry and all child fares on the exempt Waiheke Ferry, which are subject to further negotiation with the operator Fullers360 and any additional funding would need to be sourced from Auckland Council or existing AT Metro services funding.
2. It is proposed 100% discounted fares will apply to registered AT HOP card holders (5-15 years inclusive) only.
3. This offering aims to incentivise off-peak travel to enable more affordable weekend family travel, improve accessibility and to accelerate mode shift.
4. The Statement of Intent Farebox recovery target has been reduced to reflect this change with the range being 43% to 46%.

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Previous deliberations

5. The provision in the 2019/20 AT budget for nuanced public transport fares was identified in Closed Agenda Item 9.3 2019/20 Budget on the 11 June 2019 Board meeting. The budget was approved.

Strategic context

6. AT's fare policy is outlined in the Regional Public Transport Plan (RPTP). This policy includes the following provisions:
 - To provide fare concessions for non-cash payment only, except for children who receive a discount on the adult cash fare (5.5A);
 - To provide incentives for weekend family travel by offering a 1-zone AT HOP weekend child fare (5.3D) currently at \$0.99; and
 - To provide fare concessions for target groups including: discounts for children; and discounts for full-time secondary school students (5.5B).

Background

7. AT has been offering \$0.99 child AT HOP weekend fares since late 2016. A child journey can have up to five legs with a maximum transfer time of 30 minutes and a total trip time of four hours for \$0.99 on weekends and public holidays.
8. In 2018, 35,000 children had registered AT HOP cards; 100% discounted travel for child concessions for the weekend and public holidays (using HOP) would have incurred a revenue loss of \$623,000, net of increased demand from adults.
9. Passenger trips are expected to increase by 989,000 from introducing this fare policy.

Commercial Considerations

10. Annualised operational funding of \$643,000 has been provided in the 2019/20 FY budget. This is based on lost revenue estimates from AT HOP fares across the RPTP specified public transport network, other than for the exempt service of Waiheke Ferry. Operator own products have also been excluded from the analysis to date for the exempt services of Devonport Ferry and Waiheke Ferry.
11. Other non-RPTP public transport network specified services have been excluded. These include the exempt services of Skybus, Mahu City Express, Great Barrier Ferry, Kawau Island Ferry, Tiritiri Matangi Ferry, Motuihe Island Ferry, Rotoroa Island Ferry, Coromandel Ferry and the Auckland Harbour Cruise Ferry.

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12. Negotiations with Fullers360 Ltd, the commercial operator of exempt Devonport Ferry and Waiheke Ferry services, have commenced. Any commercial agreement to provide compensation for these services (other than already estimated AT HOP fares on Devonport) will need to be funded further by Auckland Council or within existing AT Metro services budgets.
13. To assist in uptake of child registered AT HOP card concessions, the requirement to load a \$5 stored value on top of the \$10 AT HOP card price at time of purchase will be removed.

External Consultation

14. Past consultations with iwi identified that the cost of public transport is a barrier, with some iwi requesting that discounts be available for low-income families.
15. Past consultations identified that Local Boards in low-income areas seek affordability and want public transport to be cheaper and easier to access.
16. Several workshops have been held with Councillors to consider fare change initiatives including this initiative.

Next steps

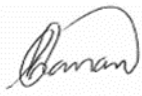




17. A project team has been established for go live on Saturday 7 September 2019.
18. A customer campaign is planned to commence in July recommending that parents get their children a child HOP card in advance, so they can commence taking up the free travel offer from 7 September.
19. Targeted communication plans will be carried out at lower decile schools to increase the reach of HOP cards.
20. Outline eligibility clearly to stakeholders and develop an enforcement policy with a generous grace period from 7 September to 6 October.

Attachments

Attachment Number	Description
Attachment 1	Participating Ferry Services

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Document ownership

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Approved for submission	Shane Ellison Chief Executive	

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Attachment 1: Participating Ferry Services

Route	Include/ Exclude	Capacity
Bayswater	Include (on AT HOP only)	Sufficient spare capacity
Birkenhead	Include (on AT HOP only)	Sufficient spare capacity
Devonport	Include (on AT HOP only)	Dependant on commercial negotiations
Gulf Harbour	Nil weekend services	N/A
Half Moon Bay	Nil weekend services	N/A
Hobsonville	Include (on AT HOP only)	Sufficient spare capacity
Pine Harbour	Nil weekend services	N/A
Stanley Bay	Nil weekend services	N/A
Rakino Island	Exclude	N/A
Tiritiri Matangi	Exclude	N/A
Motuihe Island	Exclude	N/A
Rotoroa Island	Exclude	N/A
Coromandel Peninsula	Exclude	N/A
Auckland Harbour Cruise	Exclude	N/A
Waiheke	TBC	Dependent on commercial negotiations