

# Public transport



*Cityride bus Rotorua.*

## How do we fund increased bus services across the region?

### BACKGROUND

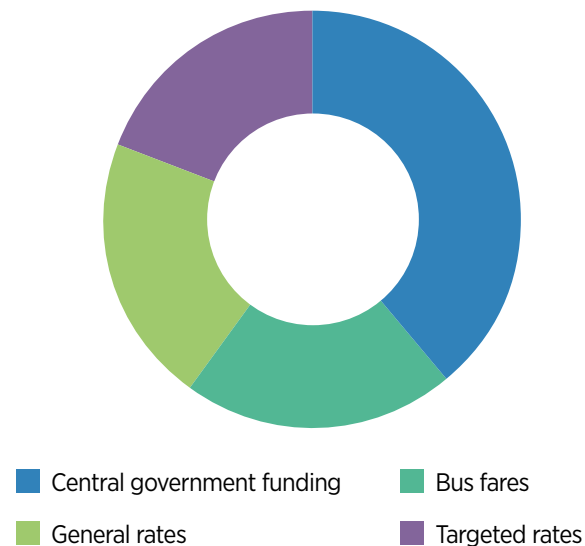
We manage a regional bus network that includes the yellow and blue Bayhopper buses in the western and eastern Bay, and the green Cityride buses in Rotorua. Providing a reliable public transport service that people from all walks of life can use is an important function of ours. This alternative mode of transport provides a vital transportation option and eases congestion and emissions in our main centres. This helps create a vibrant region and supports a healthy environment.

Over the past few years we have increased the extent and frequency of bus services across the region in response to population growth. Most recently we confirmed the Western Bay of Plenty Public Transport Blueprint, which looked at public bus services in Tauranga and the western Bay. In parts of the western Bay, such as Te Puke, bus services will now run at a frequency similar to the city services.

The bus services are currently funded through a combination of central government support (mainly from the New Zealand Transport Agency), bus fares, general funds (which includes general rates and income from investments) and targeted rates, as shown in the pie chart. This mix of funding enables us to keep bus fares affordable for everyone. General funding reflects the benefits of public transport across the Bay. Targeted rates reflect the direct benefits to those living in the area where the service is available.

As well as fares and central government funding, the different bus services are funded differently. City bus services in Tauranga and Rotorua use a mix of general

### PUBLIC TRANSPORT FUNDING - ANNUAL PLAN 2017/18



and targeted rates, while the western and eastern Bay services use only general funds. It was set up this way to ensure the cost of bus services was spread fairly across the community, with urban areas paying higher fares for services used more often and by more people than those in rural areas.

## Other consultation on transport

Tauranga City Council (TCC) is completing its 30 year Transportation plan and this will set out what infrastructure they will provide to support the new passenger transport blueprint.

Tauranga City Council is expected to consult on this through its Long Term Plan. You may wish to provide a submission to them on this through its Long Term Plan consultation process which is expected to begin around 16 March.

Further information is available at [www.tauranga.govt.nz](http://www.tauranga.govt.nz)

## THE ISSUE

This consultation topic is about making sure the right people are funding the bus network.

We want to change how we fund bus services, as we begin to deliver the increased service levels that have already been agreed to. What this means will depend on where you live, but for many it means more buses, more frequently, on improved routes.

This growth and improvement to bus services across the region, particularly in the western Bay, means we need to do things differently. We want to make the funding simpler, with clearer links to areas where a higher level of service is provided. This would mean using a higher proportion of targeted rates and reducing the amount that comes from general funds; this is consistent with how other regions fund bus services.

We want to make sure we're being clear and transparent about how the services are funded, strengthening the connection between people who use the bus services and those who fund them.

Should the wider community continue to contribute to all bus services or should only those who benefit from the service contribute?

Our preferred option is to move to a full targeted rate for the Tauranga and western Bay, Rotorua, and eastern Bay bus services, and remove any general funding for them. That means these services will be funded through targeted rates in combination with central government funding and bus fares.

### OPTION 1

### OPTION 2

### OPTION 3

#### *Our preferred option*

	OPTION 1	OPTION 2	OPTION 3
<b>Summary</b>	Stay with the current funding mix as outlined in the pie chart.	Change funding of the Tauranga and Rotorua bus services to be fully funded through targeted rates, change funding of the western Bay and the Whakatāne urban service from general funds to a targeted rate.	A staged introduction of option two, with contribution from general funding reduced in 2018/19 and then removed completely in 2019/20 for Tauranga, Rotorua, western Bay and Whakatāne.
<b>Level of service</b>	This option does not directly impact the level of service. The level of service has increased or will increase as a result of other consultation, such as the recently confirmed Western Bay of Plenty Public Transport Blueprint.	This option does not directly impact the level of service. The level of service has increased or will increase as a result of other consultation, such as the recently confirmed Western Bay of Plenty Public Transport Blueprint.	This option does not directly impact the level of service. The level of service has increased or will increase as a result of other consultation, such as the recently confirmed Western Bay of Plenty Public Transport Blueprint.
<b>Impact on ratepayers</b>	General funds contribution to public transport will increase by 4%, an average of \$8 per median property.  Targeted rates will increase per property by \$25 in Tauranga and \$2 in Rotorua (including GST).	General funds contribution to public transport will fall to \$14 per household/ratepayer.  Targeted rates will increase in Tauranga, Rotorua, western Bay and eastern Bay – Whakatāne, with an increase per property of \$82 in Tauranga, \$27 in Rotorua, \$13 in western Bay and Whakatāne \$16 (including GST).	In 2018/19, general funds contribution to public transport will decrease by 4% (an average \$8 per median property) and the average targeted rate per property will increase, by \$53 in Tauranga, \$15 in Rotorua, \$11 in the western Bay and by \$12 in Whakatāne (including GST).  In 2019/20, the general funds contribution to public transport will fall to nil for Tauranga, Rotorua, western Bay Whakatāne and the targeted rate per property will increase, by a further \$44 in Tauranga, \$14 in Rotorua, \$7 in western Bay and \$4 in Whakatāne (including GST).



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*Bayhopper bus Tauranga.*