

## Integrated Fares November /December PCG Meeting

Date: 8 December 2015  
 Time: 03.00pm – 04.00pm  
 Venue: HSBC Level 17, Britomart Room  
 Attendees: [REDACTED]  
 Apologies: [REDACTED]

Item	Action	Responsible	Status
<b>Actions closed at this meeting</b>			
<b>AP40</b> (15.06.15)	Review school bus trip options and make decision on any zone changes and report back to PCG <i>Results presented at this PCG</i>	[REDACTED]	Closed
<b>AP41</b> (23.10.15)	Get AT Metro Modal Managers to agree to the 3 month EOD brown out <i>Raised at AT Metro Programme meeting and Colin got agreement from modal managers</i>	[REDACTED]	Closed
<b>Open actions</b>			
<b>AP42</b> (08.12.15)	Email [REDACTED] re new baselining of requirements to confirm that these are not changes to requirements, purely capturing outcome of technical workshops	[REDACTED]	Open
<b>AP43</b> (08.12.15)	Confirm revenue impacts of the new family proposition against original proposition and against no family offering	[REDACTED]	Open
<b>AP44</b> (08.12.15)	Complete sizing analysis of work/schedule impact of ferry integration on project	[REDACTED]	Open
<b>Decisions made at this meeting</b>			
<b>D039</b>	(08.12.2015) APPROVED changed family proposition to all Children with AT HOP to pay a 1 zone child fare on weekends and public holidays. This will go in final recommendations to the Exec and Board in March/April 2016.		
<b>D037</b>	(23.10.2015) APPROVED phased deployment approach splitting back-end software and zonal fare go-lives.		
<b>D038</b>	(23.10.2015) APPROVED changed go-live to 24 July 2016.		
<b>D039</b>	(08.12.2015) APPROVED changed family proposition to – Children with AT HOP get a flat 1 zone fare for their journey on weekends and public holidays.		
<b>D040</b>	(08.12.2015) NOTED the changes to 4 zone boundary overlaps to mitigate school children impacted by 1 stage to 2 zone fares.		

Item	General business
1	Project status update / Technical update

1.1	█████ walked through the project status for release 7.0, release 7.1, capex, opex, scheduling and other activities.
1.2	█████ commented that the requirements document has been re-baselined to capture outcome of the Thales and OSL workshops. ██████ recommended ██████ contact ██████ to make sure he understands that this re-baselining is not a change to the requirements ( <b>see AP42</b> ).
1.3	█████ commented that the Deloitte interview with himself and ██████ had been done and went well.
1.4	█████ walked through the technical update and the ECPs that are now with Thales for finalisation capturing the additional functionality added into release 7.1 with their final quote.
1.5	There was discussion around the establishment of the new AT Test environment and ██████ confirmed that this is owned by AT, and will not transfer to NZTTL.
<b>2</b>	<b>Family Offering</b>
2.1	█████ walked through the evaluation of the 3 options that had been completed by ██████.
2.2	While the preferred option was Option 2 – all kids free with AT HOP, the working group was not comfortable that this was fiscally responsible and that once the floodgates are open with free services, this is very hard to claw back in the future.
2.3	As a result of concerns the working group looked at the fundamental driver of this proposition -> to make it more cost effective to use PT with families in weekends and public holidays. As a result they proposed a new proposition:  Children with AT HOP can travel on PT in weekends and public holidays for a reduced flat fare (proposed \$0.50).
2.4	The PCG discussed this and recommended that the reduced fare be the 1 zone AT HOP child fare (consultation range was \$0.99 to \$1.10). This fare would substantially mitigate the revenue loss of around \$300K all children free on HOP would have resulted in. This was approved to be included in our final fare recommendations that will go to ELT, CFC and Board in March/April 2016 ( <b>see Decision 039</b> ).  █████ will do further work on the modelling impacts of this with Chris Sweetman and report back to the next PCG ( <b>see AP43</b> ).
	<b>Zone boundary changes</b>
3.1	█████ walked through the proposed zone boundary changes aimed to mitigate the school children impacted by going from 1 stage to 2 zone.
3.2	The AT Metro working group will be making changes to the following 4 zone boundaries:  1. <b>Isthmus / Waitakere</b> – 16 stops included in overlap for both school and urban services to address Blockhouse Bay to Green Bay issue

	<ol style="list-style-type: none"> <li>2. <b>Manukau North / Manukau South</b> – 16 stops included in overlap for both school and urban services to address Puhinui station issue (raised in consultation) and surrounding bus stops</li> <li>3. <b>Waitakere / Huapai</b> – additional 16 stops in overlap from zone boundary down to Westgate for both school and urban services</li> <li>4. <b>Upper North Shore / Lower North Shore</b> – additional 11 stops included in overlap for School bus services only to address the major issue for Rangitoto College and Murray’s Bay Intermediate (raised during consultation). By limiting to school bus trips this will prevent leakage of another \$200K in revenue for urban services.</li> </ol>
3.3	Inclusion of these 60 stops will address 77% of school children impacted by 1 stage to 2 zone fares at a reduction in revenue of \$217K. The PCG NOTED these zone boundary changes ( <b>see D040</b> ).
3.4	█████ commented that there will need to be clear comms around this to show the public that we have made changes as the result of the public consultation. █████ will ensure this is included within our Comms plan that will be presented to the Exec and Board when we go up to communicate our planned zonal fares.
<b>3</b>	<b>Ferry update</b>
3.1	<p><b>Monthly Passes (inner, mid, outer)</b></p> <p>Ben outlined the analysis done around inclusion of the originating and terminating zone in the monthly passes. While this is technically feasible, the pricing of these passes is based on the equivalent ferry-only offerings of current operators, and would end up being predatory on bus/rail stored value offerings.</p> <p>Recommendations are as follows:</p> <ul style="list-style-type: none"> <li>• Ferry passes will be for ferry services only</li> <li>• Each pass will only include services in that band – eg. Inner will only be inner, mid will only be mid services, and outer will only be the 2 outer services.</li> </ul> <p>The PCG approved these recommendations (<b>see D041</b>).</p>
3.2	<p><b>Stored value integration</b></p> <p>█████ outlined the initial investigation of how ferry services could be integrated into the journey for stored value.</p> <p>The review of the 2 technical options are:</p> <ol style="list-style-type: none"> <li>1. “aqua zones” – create water-based zones to enable ferry services to be charged the correct number of zones. This option was not recommended by Thales as it would result in substantial ongoing difficulties from an EOD maintenance perspective. Also we have a limit of 16 zones on the card, and more than 16 zones would be required to achieve the correct fare.</li> <li>2. CityLink – we can utilise the additional functionality developed by Thales for the CityLink differential fare. This is technically feasible but will have commercial/revenue implications as it will enable ferry users to have free bus/train travel up to the value of their ferry service, and longer distance</li> </ol>

	bus/train travellers would also have the ability to have free access to inner harbour services (effectively).
3.3	<p><b>Ongoing work on stored value integration</b></p> <p>There was substantial discussion around whether the project should continue investigative work on stored value integration of ferry. In the business case ferry was out of scope of the journey concept, and no specific development has been done by Thales for ferry integration.</p> <p>Mark requested that the project come back at the mid-Jan PCG to provide some sizing of the cost and schedule impact of inclusion of ferry integration to the scope of the project. The PCG will then make a decision on whether the project continues with this or not (<b>see AP44</b>).</p>

Past decisions log	
D001	Agreed that this Steering Group is established with Core Members of [REDACTED]
D002	Agreed that preferred zonal structure was the 5-ring plus short-trip fare.
D003	Agreed that the weekly cap was preferred over monthly pass (provided we can find a way to manage apportionment and that we can get Operators to agree to this approach).
D004	Agreed that we would work towards submitting our business case to the April Board based on a 2-week turnaround from Thales [REDACTED] will support us with this).
D005	\$\$\$ cap preferred over trip/journey-based cap ideally with multiple levels.
D006	Agreed that the business case to now be submitted to the May Board
D007	(05.05.2014) Agreed that Zone-to-Zone pricing structure is preferred
D008	(05.05.2014) Agreed that the combined Journey and \$\$\$ cap is preferred due to incentive to travel and decongestion benefits.
D009	(05.05.2014) Agreed that distance-based apportionment is preferred
D010	(14.05.2014) Agreed that zone 2C will not be split into 2 zones (2S and 2W)
D011	(14.05.2014) Agreed that we should proceed with Focus Groups
D012	(07.07.2014) Agreed that we should budget to run another set of focus groups prior to going to public consultation.
D013	(06.08.2014) Agreed that we should now aim for September Board for business case submission to include the alternate “do minimum” options
D014	(01.09.2014) Agreed that the fare for a journey involving transfers must have the same fare outcome as a 1-leg journey. Understood that this will require development of the transfer discount.
D015	(01.09.2014) Agreed that if we cannot implement a weekly cap, we should implement a weekly pass as a stepping stone towards caps in the future.
D016	(01.09.2014) Agreed that we would proceed with technical delivery option 2 – limited Thales development.

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<b>D017</b>	(14.10.2014) Agreed that public consultation for integrated fares would take place in February 2015.
<b>D018</b>	(10.11.2014) Limited scope of public consultation agreed.
<b>D019</b>	(30.01.2015) Decision made to issue Notice To Proceed to Thales for Zone Lite development as part of Release 7.0 (see below).
<b>D020</b>	(03.03.2015) Decision to retain this forum until the project is much closer to delivery at which stage it may then be folded into the HOP Governance Group
<b>D021</b>	(03.03.2015) Agreed that weekly pass is not a viable customer proposition and that we would proceed based on either (1) dual day and week cap (subject to technical capability) or as a fall back (2) a monthly pass offering.
<b>D022</b>	(23.03.2015) Agreed that Monthly Pass is the preferred solution for launch of integrated fares.
<b>D023</b>	(23.03.2015) Agreed that period pass apportionment would stay scheme based.
<b>D024</b>	(23.03.2015) Agreed that we would launch with a single all-zone day pass and month pass, and 3 ferry monthly passes
<b>D025</b>	(23.03.2015) Agreed we would go with re-settlement as the preferred approach for late transaction handling.
<b>D026</b>	(23.03.2015) Agreed we would proceed with the dual fare cap development in the CST noting it will delay release 7.0
<b>D027</b>	(08.05.2015) Agreed that Ferry Fare integration would not be investigated further, and would be put onto the future development roadmap for consideration. This project will not be doing anything further with this requirement.
<b>D028</b>	(08.05.2015) Out-scope Dual Fare Caps development in the CST from Integrated Fares and add to the on-going development roadmap.
<b>D029</b>	(08.05.2015) Proceed with Option 1 CSB development – 7-day lag settlement and apportionment.
<b>D030</b>	(15.06.2015) Proceed with Direct Number of Zones as the fare calculation method for the ticketing solution (TCS).
<b>D031</b>	(13.07.2015) Students and SuperGold passengers cannot benefit from the family offering (2 children free on weekends/public holidays)
<b>D032</b>	(13.07.2015) Day Pass proposition approved to change from current 24 hour to calendar day (due to apportionment / settlement approach)
<b>D033</b>	(13.07.2015) Orakei to remain in Isthmus zone.
<b>D034</b>	(19.08.2015) Configuration decisions only to be made by relevant business area and PCG informed of the outcome.
<b>D035</b>	(19.08.2015) Agreed that family offering should be extended to include children travelling with SuperGold, Students, Period Pass holders and cash ticket purchasers.
<b>D036</b>	(23.10.2015) APPROVED placement of Notice To Proceed to Thales for release 7.1 development.
<b>D037</b>	(23.10.2015) APPROVED phased deployment approach splitting back-end software and zonal fare go-lives.

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<b>D038</b>	(23.10.2015) APPROVED changed go-live to 24 July 2016.
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