

Dominic Cowell-Smith

From: Anthony Bull
Sent: Tuesday, 15 March 2022 2:34 pm
To: Seb (Parliament) Brown; Lukas Clark-Memler
Subject: FYI - BusinessDesk: fare free public transport

Hi team

We received a query from Business Desk on the discounted PT .Looking at providing the below answers to them.

Let me know if you have any issues

Cheers

Anthony

1. On average, how much does farebox recovery (i.e. income from fares) currently contribute towards the operating cost of PT in NZ? (Noting this will vary by council).

Pre-COVID, approximately \$320–\$350 million was collected per year nationally. During COVID it has been around \$200–\$250m per year. This is relative to investment by central and local government into public transport services of over \$800m per year.

2. Is the government PT subsidy in addition to the regular Waka Kotahi funding for PT operating costs?

Yes, Waka Kotahi will continue to fund operating costs as per the previously agreed arrangements, with the Crown contribution subsidising the reduction in the normal fare.

3. If it costs an estimated \$25m to \$40m to provide half price fares for three months nationwide. Does that mean it would cost as little as \$320m to provide fare free PT nationwide? If not, why not?

Yes, based on pre-COVID revenue.

4. Has MoT done any recent modelling/estimates of how much it would cost to fully fund PT fares nationwide with current levels of service? How much would it cost?

We do not have specific modelling, but based on the current fare revenue it would cost an additional \$220–\$350 million per year (the range reflects the difference faced during COVID and pre-COVID). This does not include any impact that lower fares might have on encouraging higher patronage levels (which could in turn require additional services, with additional costs).

5. Has MoT provided any recent advice to the transport minister/other ministers on the cost to make PT free for all or some groups?

No. Work has been focused on the Community Connect project — a three-year pilot of a 50 percent concession for Community Services Card holders in Auckland.

6. Waka Kotahi has previously expressed an opinion that service improvements are a better use of money than providing discounted or free fares. Does MoT agree?

The cost of public transport fares is only one factor that influences people's choice about how to travel. The quality of public transport services, such as speed, frequency and reliability, is more important than affordability alone.

Matt Skinner

s 9(2)(a) | E: m.skinner@transport.govt.nz



TE MANATŪ WAKA
MINISTRY OF TRANSPORT

Hāpaitia ana ngā tīngata o Aotearoa kia eke
Enabling New Zealanders to flourish

From: Brent Johnston <B.Johnston@transport.govt.nz>

Sent: Tuesday, 15 March 2022 10:46 am

To: Anthony Bull <A.Bull@transport.govt.nz>

Cc: Jacob McElwee <J.McElwee@transport.govt.nz>; Ella Zaykova <E.Zaykova@transport.govt.nz>; Matthew Skinner <m.skinner@transport.govt.nz>; Olivia Kitson <O.Kitson@transport.govt.nz>

Subject: RE: INPUT NEEDED - BusinessDesk: fare free public transport

Hi Anthony,

I'll refer this to Olivia and Matt in the first instance. Happy to assist if they don't have the answers.

Cheers

B

Brent Johnston

Pou Turuki | Acting Deputy Chief Executive

Te Rautaki Pūnaha Waka me te Pūtea Hauiri | System Strategy & Investment

M: s 9(2)(a) | E: b.johnston@transport.govt.nz

Executive Assistant: Lynda Holden | M: s 9(2)(a) | E: l.holden2@transport.govt.nz



TE MANATŪ WAKA
MINISTRY OF TRANSPORT

Hāpaitia ana ngā tīngata o Aotearoa kia eke
Enabling New Zealanders to flourish

From: Anthony Bull <A.Bull@transport.govt.nz>

Sent: Tuesday, 15 March 2022 10:03 am

To: Brent Johnston <B.Johnston@transport.govt.nz>

Cc: Jacob McElwee <J.McElwee@transport.govt.nz>; Ella Zaykova <E.Zaykova@transport.govt.nz>

Subject: INPUT NEEDED - BusinessDesk: fare free public transport

Hi Brent

Hope you're well!

We've got a query about PT that Jacob would usually be the SME on – hoping that there might be someone else available to input into this?

Deadline is 3pm

Cheers

Anthony

From: s 9(2)(a)
Sent: Tuesday, 15 March 2022 9:45 am
To: Media Mailbox <media@transport.govt.nz>
Subject: BusinessDesk: fare free public transport

Hi all,

I'm a journalist at BusinessDesk.

The government announced yesterday half price public transport fares for three months in response to the rising cost of fuel.

The policy was costed at between \$25 to \$40m. Following that, many ppl - politicians and advocates - expressed surprise at the relatively low cost and enthusiasm for completely free PT. I'm keen to see whether MoT has any estimates/provided any advice on how much this would cost. Councils currently co-fund the operating cost of PT with Waka Kotahi.

Questions below:

1. On average, how much does farebox recovery (i.e. income from fares) currently contribute towards the operating cost of PT in NZ? (Noting this will vary by council).
2. Is the government PT subsidy in addition to the regular Waka Kotahi funding for PT operating costs?
3. If it costs an estimated \$25m to \$40m to provide half price fares for three months nationwide. Does that mean it would cost as little as \$320m to provide fare free PT nationwide? If not, why not?
4. Has MoT done any recent modelling/estimates of how much it would cost to fully fund PT fares nationwide with current levels of service? How much would it cost?
5. Has MoT provided any recent advice to the transport minister/other ministers on the cost to make PT free for all or some groups?
6. Waka Kotahi has previously expressed an opinion that service improvements are a better use of money than providing discounted or free fares. Does MoT agree?

Thank you. Please let me know when you get this and if you can provide a response by 3pm today. I'm on

s 9(2)(a)

Cheers,

s 9(2)(a)

Dominic Cowell-Smith

From: Media Mailbox
Sent: Wednesday, 16 March 2022 9:02 am
To: Seb (Parliament) Brown; Tim Herbert; Charlotte Vannisselroy; Matthew Skinner; Media Mailbox
Cc: Marian Willberg; Andrew de Montalk; Prisca Gain
Subject: RE: PT FAQs - due ASAP
Attachments: PT comms requests (006).docx

Hi Seb

See attached from us on this for you.

Note – Q7 – we've added some info but WK will have further information if you need it – drop them a line if you need more detail.

Can you send us the final version of this once WK have provided their input?

Cheers Seb!

Anthony

From: Seb Brown <Seb.Brown@parliament.govt.nz>
Sent: Tuesday, 15 March 2022 10:23 am
To: Tim Herbert <t.herbert@transport.govt.nz>; Charlotte Vannisselroy <C.Vannisselroy@transport.govt.nz>; Matthew Skinner <m.skinner@transport.govt.nz>; Media Mailbox <media@transport.govt.nz>
Cc: Marian Willberg <m.willberg@transport.govt.nz>; Andrew de Montalk <a.demontalk@transport.govt.nz>; Prisca Gain <prisca.gain@parliament.govt.nz>
Subject: PT FAQs - due ASAP
Importance: High

Hi all

We are receiving a flurry of questions about PT and FED/RUC (and will continue to do so over the coming days). To ensure the Office can respond to most of these, we have pulled together some FAQs. The PT ones are attracting the most attention at the moment. I have attached a list of questions that the Office would appreciate answers to ASAP. The Office has asked for answers by 12pm but I know this is probably unrealistic given I've just commissioned an OPQ response, so please prioritise the OPQ first.

I've highlighted in the attached which questions should be responded to by MoT. The other questions have been sent to Waka Kotahi separately.

Let me know if you have any questions.

Marian/Andrew – FYI I will be sending some FED/RUC questions to you at some point today.

Thanks again for your help on this.

Cheers
 Seb

Out of Scope

[REDACTED]

[REDACTED]

[REDACTED]

Request 2: FAQs for MPs/Media

1. How is public transport currently funded? (this answer should also explain what the PTOM is)

- The Public Transport Operating Model (PTOM) is the framework governing how public transport is planned, procured and delivered.
- Under PTOM, regional councils and Auckland Transport are responsible for providing public transport services and make their own decisions about how those services operate.
- Public transport is funded through a mix of the National Land Transport Fund, local authority rates, and fare revenue.

2. What has the Government announced about reducing public transport fares?

- The Government is working with local authorities to provide half price public transport fares across the country
- Half price fares are expected to be in place for three months, starting April 1.

3. How will the Government actually do this? What is the mechanism to reduce public transport fares?

4. Will people receive any kind of refunds for public transport already purchased? (probably just needs a holding line)

5. Could the 3 month period be extended? (also just needs a holding line)

- The Government will review the situation with fuel prices and the need for continued half price public transport fares over the coming months.

6. Why is it necessary to support public transport fares in this way?

- Halving public transport fares is part of a cost of living package to provide immediate relief to New Zealanders from the global energy crisis and high fuel prices.
- By reducing the cost of public transport, a more affordable alternative to private vehicle travel is being provided to New Zealanders.

7. What support has the Government provided for public transport (in broad terms) since it was elected in 2017? [note: Waka Kotahi will be able to provide more detail here if needed]

a. What has been done in Auckland?

- Out of Scope [redacted]
Out of Scope [redacted]
- We have announced Community Connect, a three-year pilot of a 50 percent concession for Community Services Card holders in Auckland, due to start 1 July 2022.
- b. What about other major cities like Christchurch and Wellington
- c. How is the Government supporting better public transport options in the regions?
- We have also invested to ensure public transport services are maintained and remain accessible throughout the COVID pandemic. This included waiving fares during the 2020 lockdown and mitigating the lost fare revenue faced by councils and Waka Kotahi throughout 2019/20 and 2020/21.
- Out of Scope [redacted]
[redacted]
[redacted]
[redacted]

8. What services are included in the fare reduction?

- Will this apply to all trains?
- Will this apply to all ferries (especially in Auckland)?
- Is the Wellington Cable Car included?
- Are airport buses (especially in Auckland) included?
- Is the Te Huia train service included and if so why?

9. What services are excluded from the fare reduction?

- Why isn't the Waiheke Ferry included?
- Why some ferries included but others are aren't?
- Why aren't school buses included in the fare reduction?

10. Isn't it unfair that some services are included and others aren't – I use the Waiheke Ferry/Capital Connection, etc. to get to work, doesn't that make it public transport?

11. Is the way that we fund public transport infrastructure simply out of date? What is the Government doing to address this? (the answer to this should list initiatives with a little detail – e.g. PTOM review, looking at congestion charging etc.)

No, the way we fund public transport services is not out of date. Currently those who benefit from public transport services contribute to the cost – users, ratepayers, and road users. However, within this funding framework, we are focussed on making public transport services more affordable for users. In particular:

- Public transport authorities are no longer required to target meeting half the cost of public transport services from fares.

RE: PT FAQs - due ASAP

- Public transport authorities are working to make public transport more affordable. The PTOM Review found that fares have been reducing in real terms.
 - As a result of the PTOM Review, the Government is developing a new framework that will deliver an affordable, high quality and sustainable public transport system that meets our emissions reduction commitments.
 - The Government has announced Community Connect a three-year pilot of a 50 percent concession for Community Services Card holders in Auckland. This will start from 1 July, but the Government is investigating options to roll it out nationwide as soon as possible.
12. When and how did the government/Waka Kotahi first tell regional councils the government was proposing to announce a halving of PT fares on April 1? [from Todd Niall]
 13. Prior to the announcement, had there been any discussion with from government or Waka Kotahi with AT, about the do-ability of this in Auckland? [from Todd Niall]
 14. What is the ballpark cost of reprogramming the HOP ticket technology, and who bears that cost? (AT could feed into this answer or we could just refer it to them) [from Todd Niall]

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Dominic Cowell-Smith

From: Anthony Bull
Sent: Tuesday, 22 March 2022 12:28 pm .
To: Seb (Parliament) Brown
Cc: Ella Zaykova; James Macleod
Subject: 2022-03-21- PT and RUC reductions - PR - DRAFT (002)
Attachments: 2022-03-21- PT and RUC reductions - PR - DRAFT (002).docx

Hi Seb,

Last minute tweak from WK on the PT background – in red attached.

Also, if you need any background on Total Mobility, the TM scheme assists eligible people with long-term impairments to access appropriate transport to meet their daily needs and enhance their community participation. TM is considered part of councils' wider public transport networks.

The TM scheme is founded on the central tenet that people with impairments that are unable to use buses, trains, or ferries because of their disability should be assisted with a subsidised alternative by local and central government. This reflects the legislative requirement under the Land Transport Management Act 2003 for local and central government to consider the needs of the transport disadvantaged when investing in transport activities.

And ill leave the office to follow up on the RUC date with WK right?

Cheers

Ants

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2022-03-21- PT and RUC reductions - PR - DRAFT (002)

Hon Michael Wood

Minister of Transport



XX March 2022 DRAFT

PĀNUI PĀPĀHO
MEDIA STATEMENT

Temporary transport relief package confirmed

Further details for the transport component of the government's temporary relief package have been confirmed by Cabinet, Transport Minister Michael Wood confirmed today.

- From 1 April to 30 June 2022, half price public transport fares will be in place, covering core public transport services, Te Huia and Capital Connection train services, and Total Mobility services for those with long-term impairments who can't use public transport.
- From late April to late July 2022, Road User Charges will be cut by 36 percent across all rates.

"The full scope of the public transport fare reduction and the confirmation of the Road User Charges discount will give New Zealanders some relief from the global energy crisis caused by the war in Ukraine," Michael Wood said.

"The cut in the Petrol Excise Duty which came into effect last week has had an immediate impact at the pumps. I know that once the other parts of the package are in place in April, some of the pressures that many New Zealanders are facing will be reduced.

"I want to assure road user charges payers they will get three months of reduced rates, even with the later start date. The complexity of road user charges means that a few more weeks are required to put the reduced rates in place.

"The Russian invasion of Ukraine will continue to impact global energy markets and supply chains. We will be actively monitoring the situations over the coming months to make sure we have the overall package right," Michael Wood said.

ENDS

Media contact: Travis Mills

Background for editors

Out of Scope

- [REDACTED]
- [REDACTED]
- [REDACTED]

Public transport fares

- Half price fares for three months will cover:
 - Core public transport services, including ones operated under contract with councils/a part of the Public Transport Operating Model
 - Te Huia and Capital Connection train services
 - Total Mobility services for people with long-term impairments who are unable to use public transport.
- **Non-core public transport services not covered by the scheme are typically commercial services that operate outside of the Public Transport Operating Model without any funding from the National Land Transport Fund, such as the Waiheke, Devonport, and Rakino ferry services in Auckland, the Wellington Cable Car). It also excludes commercial services such as KiwiRail's tourism services, Cook Strait ferry services, and inter-regional buses**
- The discount is estimated to cost approximately \$36.5 million across three months.
- Regional councils, Auckland Transport and other councils that provide public transport are responsible for setting fares in their regions. Waka Kotahi is working with councils on implementation.

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Dominic Cowell-Smith

From: Anthony Bull
Sent: Tuesday, 22 March 2022 11:26 am
To: Seb (Parliament) Brown
Cc: James Macleod; Ella Zaykova; Media Mailbox
Subject: RE: Capital Connection fare reduction
Attachments: 2022-03-21- PT and RUC reductions - PR - DRAFT.docx

Hi Seb

Out of Scope

Can you fire through the FINAL once you've got it nailed? And any idea on timing?

Cheers

Anthony

From: Anthony Bull
Sent: Tuesday, 22 March 2022 11:16 am
To: Seb (Parliament) Brown <Seb.Brown@parliament.govt.nz>
Subject: RE: Capital Connection fare reduction

Hopefully not long – just waiting on WK.

Out of Scope

Not sure if that impacts your decision to do a release, as it might open up to more questions than we have answers for at this stage...

From: Media Mailbox
Sent: Monday, 21 March 2022 4:56 pm
To: Seb Brown <Seb.Brown@parliament.govt.nz>; Media Mailbox <media@transport.govt.nz>
Subject: RE: Capital Connection fare reduction

Sure thing

From: Seb Brown <Seb.Brown@parliament.govt.nz>
Sent: Monday, 21 March 2022 4:46 pm
To: Media Mailbox <media@transport.govt.nz>
Subject: RE: Capital Connection fare reduction

Awesome, thanks. In terms of the PR, Waka Kotahi was initially asked to draft it but we now think MoT is better placed to do this. Are you able to send me a draft PR on this by 11am tomorrow?

Out of Scope [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

PT

For PT, Option 5 involves half price fares for 3 months (from 1 April to 1 July) for the following services:

Scope	Includes	Estimated cost (\$m)	Cumulative Cost (\$m)
Core public transport services	Services operating under contract with councils	32.1	32.1
Inter-regional train services	Te Huia and Capital Connection	0.3	32.4
Total mobility	Transport for people with long-term impairments unable to use regular public transport	4.1	36.5

Thanks

Seb Brown
Private Secretary – Transport
M: s 9(2)(a) [redacted]

From: Media Mailbox [mailto:media@transport.govt.nz]
Sent: Monday, 21 March 2022 4:42 PM
To: Seb Brown <Seb.Brown@parliament.govt.nz>; Media Mailbox <media@transport.govt.nz>
Subject: RE: Capital Connection fare reduction

Ka pai – to keep this super seamless I'll fire s 9(2) [redacted] your way too.
()

From: Seb Brown <Seb.Brown@parliament.govt.nz>
Sent: Monday, 21 March 2022 4:32 pm
To: Media Mailbox <media@transport.govt.nz>
Subject: RE: Capital Connection fare reduction

Thanks Anthony. The Office will be making an announcement about this tomorrow noon-ish, so please can you hold off answering until after the PR goes out.

Cheers

Seb Brown
Private Secretary – Transport

M: s 9(2)(a)

From: Media Mailbox [<mailto:media@transport.govt.nz>]
Sent: Monday, 21 March 2022 4:16 PM
To: Seb Brown <Seb.Brown@parliament.govt.nz>
Subject: FW: Capital Connection fare reduction

FYI

From: s 9(2)(a)
Sent: Monday, 21 March 2022 2:40 pm
To: Media Mailbox <media@transport.govt.nz>
Subject: Capital Connection fare reduction

Good afternoon

I contacted KiwiRail, but it said the ministry is the place to try.

I saw a story over the weekend in the Manawatu Standard newspaper saying the Capital Connection service between Palmerston North and Wellington isn't subject to the 50 per cent public transport fare cut. Could I please find out why that is, and if any other similar inter-regional public transport is or isn't part of the cut announced last week?

Regards

s 9(2)(a) | Manawatu reporter
s 9(2)(a)



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RE: Capital Connection fare reduction

Hon Michael Wood

Minister of Transport



XX March 2022 DRAFT

PĀNUI PĀPĀHO
MEDIA STATEMENT

Temporary transport relief package confirmed

Further details for the transport component of the government's temporary relief package have been confirmed by Cabinet, Transport Minister Michael Wood confirmed today.

- From 1 April to 30 June 2022, half price public transport fares will be in place, covering core public transport services, Te Huia and Capital Connection train services, and Total Mobility services for those with long-term impairments who can't use public transport.
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"The full scope of the public transport fare reduction and the confirmation of the Road User Charges discount will give New Zealanders some relief from the global energy crisis caused by the war in Ukraine," Michael Wood said.

"The cut in the Petrol Excise Duty which came into effect last week has had an immediate impact at the pumps. I know that once the other parts of the package are in place in April, some of the pressures that many New Zealanders are facing will be reduced.

"I want to assure road user charges payers they will get three months of reduced rates, even with the later start date. The complexity of road user charges means that a few more weeks are required to put the reduced rates in place.

"The Russian invasion of Ukraine will continue to impact global energy markets and supply chains. We will be actively monitoring the situations over the coming months to make sure we have the overall package right," Michael Wood said.

ENDS

Media contact: Travis Mills

Background for editors

Out of Scope

- [REDACTED]
- [REDACTED]
- [REDACTED]

Public transport fares

- Half price fares for three months will cover:
 - Core public transport services, including ones operated under contract with councils/a part of the Public Transport Operating Model
 - Te Huia and Capital Connection train services
 - Total Mobility services for people with long-term impairments who are unable to use public transport.
- Non-core public transport services not covered by the scheme are typically those that are not operated under contracts with councils, such as the Waiheke, Devonport, and Rakino ferry services in Auckland, the Wellington Cable Car). It also excludes commercial services such as KiwiRail's tourism services, Cook Strait ferry services, and inter-regional buses
- The discount is estimated to cost approximately \$36.5 million across three months.
- Regional councils, Auckland Transport and other councils that provide public transport are responsible for setting fares in their regions. Waka Kotahi is working with councils on implementation.

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Dominic Cowell-Smith

From: Media Mailbox
Sent: Tuesday, 22 March 2022 4:17 pm
To: Seb (Parliament) Brown; Matthew Skinner; Jacob McElwee; Olivia Kitson; Matthew
 Magner
Cc: Media Mailbox
Subject: RE: A couple of PT lines needed for a media interview tomorrow - can I please have
 this by 4.30pm today please

Hi Seb

But you promise to use this one right? Fool me once, and all that 🤖

Some lines to summarise all the things, below.

Please note (not included in the lines), that we don't think that half price fares would be administratively simpler than free fares.

Free PT lines:

- The cost of public transport fares is only one factor that influences people's choice about how to travel. The quality of public transport services, such as speed, frequency and reliability, is more important than affordability alone.
- Fare revenue has provided just under \$300 million a year pre-COVID and around \$250 million per year over the COVID period to meet the cost of public transport nationally.
- Making public transport free would significantly reduce the revenue available to make public transport more frequent, more reliable, and faster.
- We also need to ensure we continue to encourage walking and cycling as alternative forms of transport, in addition to public transport. Research from overseas suggests removing fares altogether can encourage people who might otherwise have walked or cycled short distances to take the bus instead. We need to keep this in mind when considering how we can address transport disadvantage most effectively.
- To target support and fare reduction where it'll make the most impact, the Government has announced Community Connect a three year pilot of a 50 percent concession for Community Services Card holders in Auckland.
- This will start from 1 July, but the Government is investigating options to roll it out nationwide as soon as possible. A national rollout of Community Connect would provide more targeted support without risking public transport's funding model.
- Increasing publicly funded support for certain groups (such as CSC holders) allows the Government to make targeted interventions that can improve equity and promote mode shift.

Cheers Seb

Anthony

From: Seb Brown <Seb.Brown@parliament.govt.nz>
Sent: Tuesday, 22 March 2022 3:20 pm
To: Matthew Skinner <m.skinner@transport.govt.nz>; Jacob McElwee <J.McElwee@transport.govt.nz>; Olivia Kitson <O.Kitson@transport.govt.nz>; Matthew Magner <M.Magner@transport.govt.nz>
Cc: Media Mailbox <media@transport.govt.nz>
Subject: A couple of PT lines needed for a media interview tomorrow - can I please have this by 4.30pm today please
Importance: High

Hi all

The PM has a media round tomorrow morning and one of the topics is: *"There are calls for free public transport, your take?"*

PMO has asked our Office for any lines the PM can use to respond to this question. Minister Wood has just been using the "making public transport free would significantly reduce the revenue available to make public transport..." line when asked. I also know/have been told implementing half price fares is administratively easier than free fares.

I note paras 19 and 20 in the attached briefing that Matt M provided last week has some info on why a user pays public transport system that is subsidised at an appropriate rate is a sensible approach. But if there is anything else we can pass onto PMO in relation to the "administratively easier" component I mentioned above, please let me know by **4.30pm today**. Apologies for the tight deadline!

Ngā mihi

Seb Brown

Private Secretary Transport

s 9(2)(a)

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