

Council Workshop, 12 March 2026

Information considered in the public part of the workshop.

2027-37 Long Term Plan

Reviewing our plans so they're fit for the next 10 years

Council Workshop – 12 March 2026

Session Purpose

Developing a shared understanding of:

- The Long Term Plan (LTP)
- Council's role in the 2027-37 LTP development process
- An overview of Council's involvement in the process
- Your appetite for rates change
- What will be covered at the next workshop (2 April 2026)

The Long Term Plan





The Local Government Act 2002

The Local Government Act 2002 requires councils to have a long term plan

- Must cover a period of at least 10 years. Some aspects, like the Infrastructure Strategy, look out 30 years+
- Must be reviewed every three years
- Must be adopted by 1 July of the first year it will apply to (i.e. 1 July 2027 for the next one)
- Adopted using the special consultative procedure (s83 LGA)

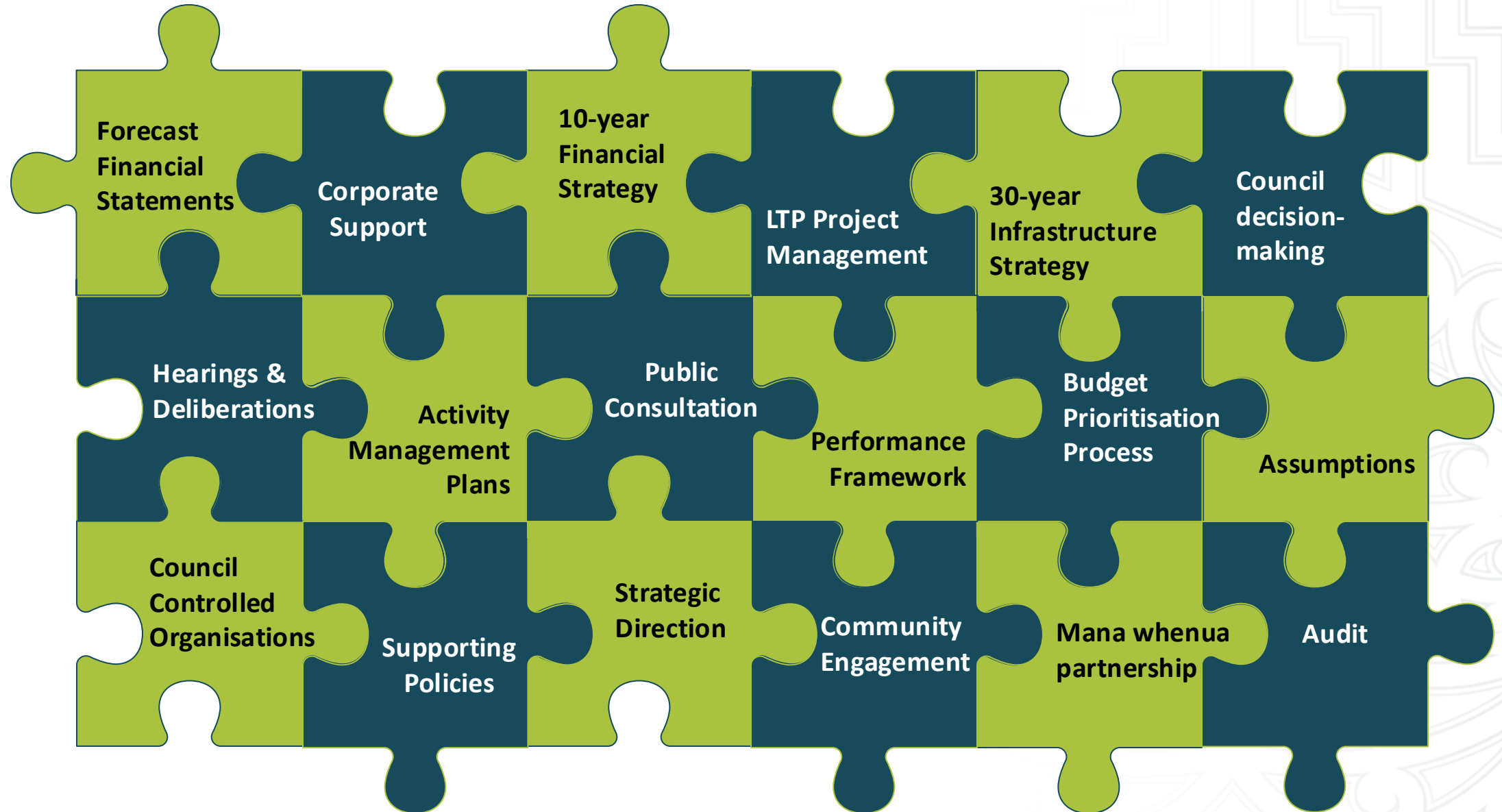
The 2027-37 LTP



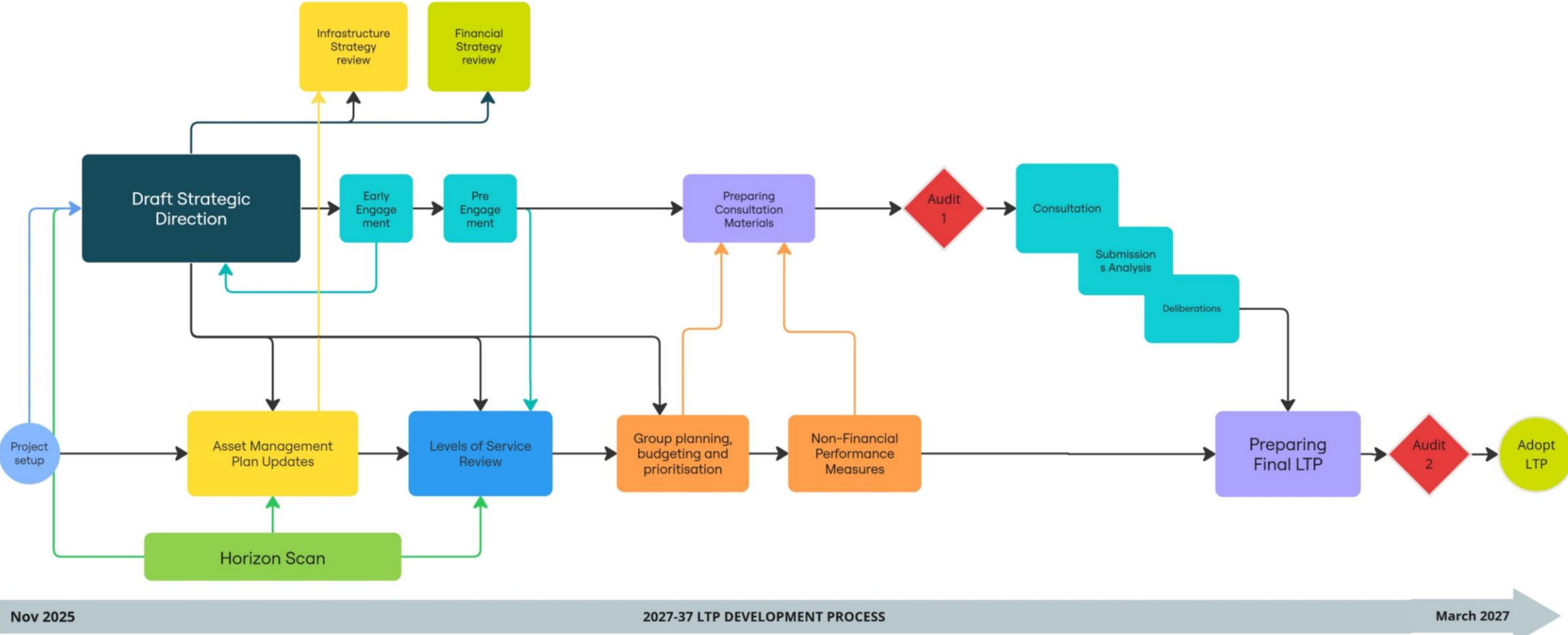
Reviewing and updating what's already planned

- As the Council's main planning document, the Long Term Plan:
 - forms the basis of accountability to the community;
 - explains the Council's strategic direction and shows how resources are allocated across a ten-year period; and
 - describes our activities and the outcomes we are aiming to achieve
 - builds from previous LTPs.

Many pieces form the LTP



The LTP process



Council's role



Council's role

What needs to be done

- Set a clear strategic direction for what Greater Wellington wants to achieve in years to come
- Propose what Greater Wellington's priorities should be and identify the trade-offs needed to achieve them
- Consider how to address long-term challenges, such as climate change
- Consider the financial implications of the direction and set rates

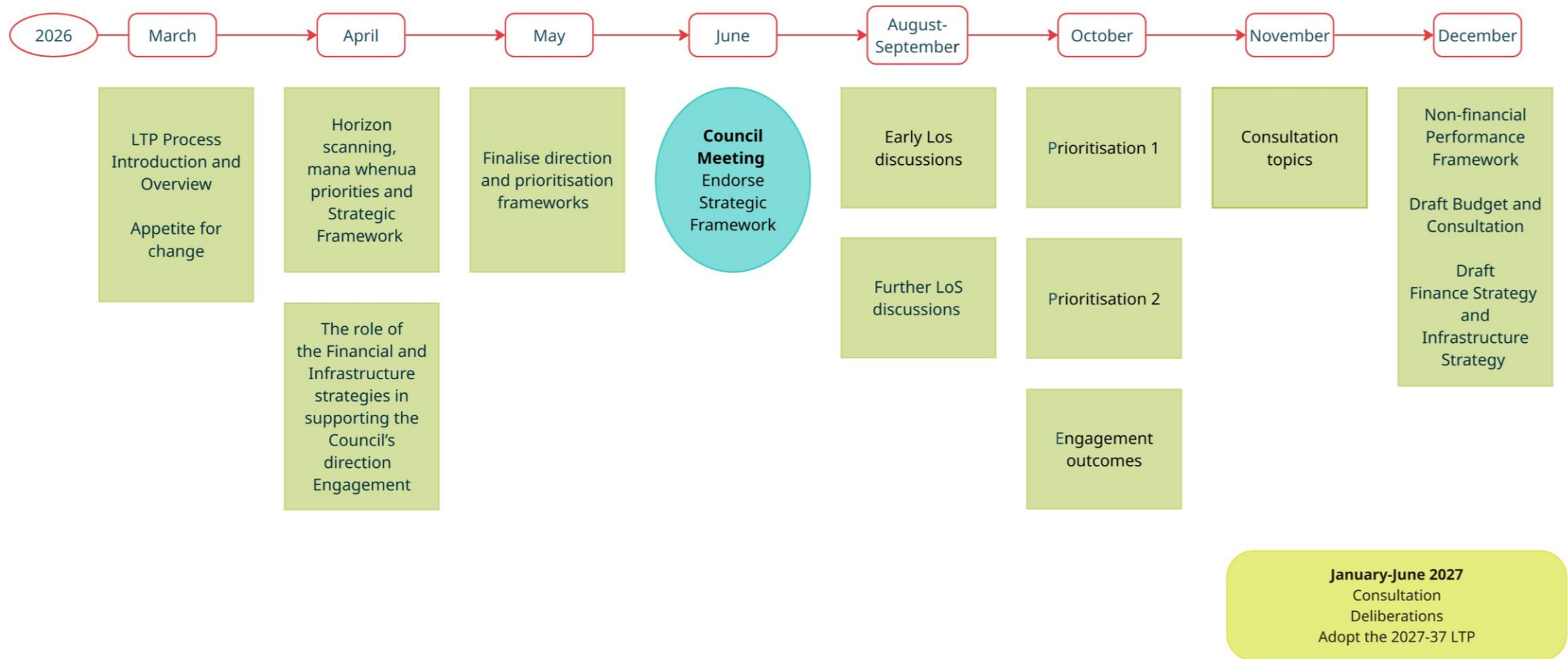
Council's approach

Long-term and outward focused

- Have an outward focus, grounded in demographic, economic, environmental and social factors and informed by Te Tiriti o Waitangi analysis and mātauranga Māori frameworks
- Think long-term, addressing strategic challenges, for example, climate change and managed retreat priorities to protect homes and sites of cultural significance e.g., marae
- Consider the importance of mana whenua long-term interests and priorities for the Region

Council's involvement in the process

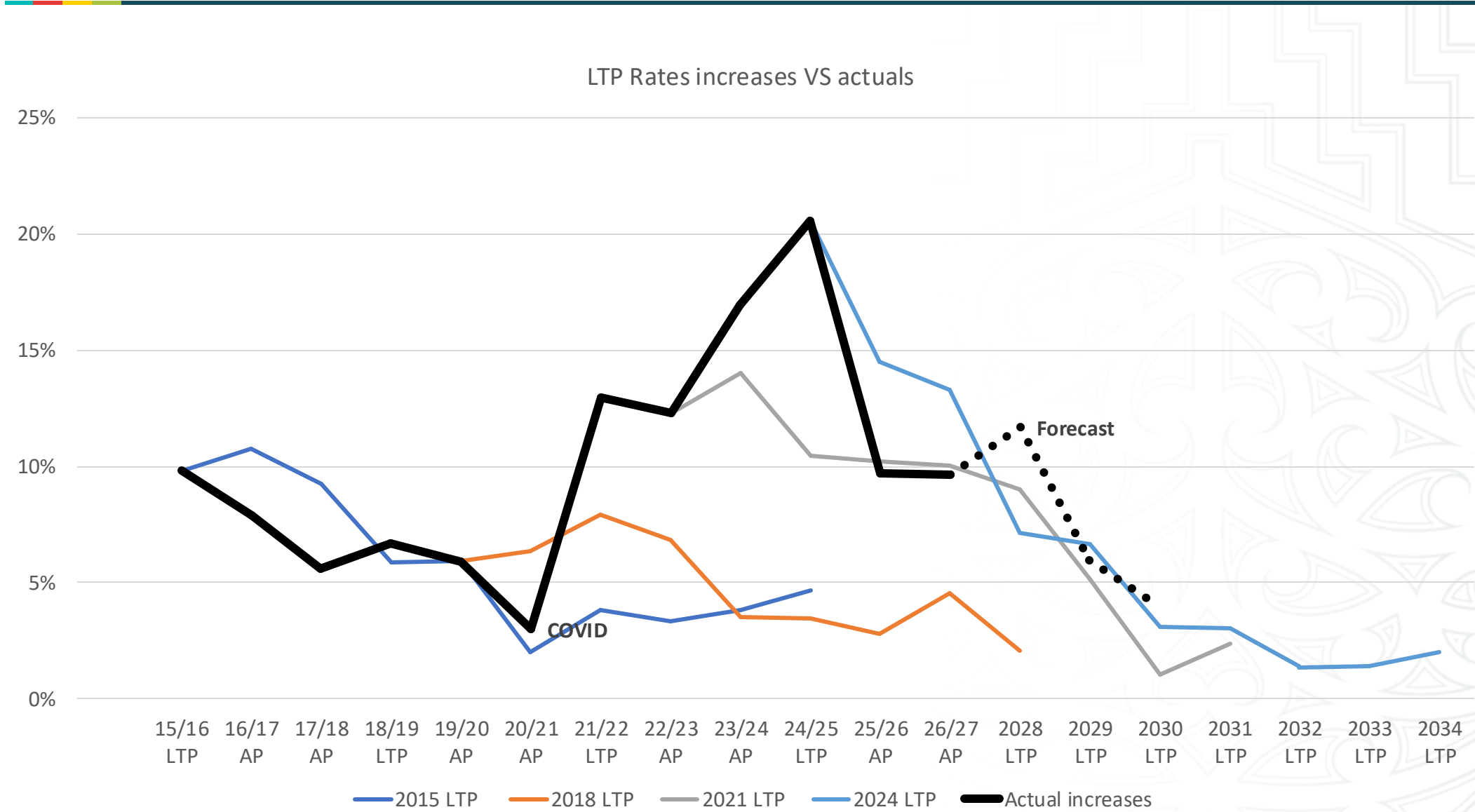
Key discussion and decision-making points



Rates appetite

***How much change does the
Council want to achieve?***

2024-34 LTP rates projections



Finding the balance

Changing legislation

Rates capping: 4% by or before 2029
Emergency Management Bill
RMA reform
Simplifying Local Government
Local Government (System Improvements)
Amendment Bill

Cost pressures

Increased insurance costs
Increased infrastructure costs
Reduction in rail patronage and fare revenue
Climate change and/or seismic related costs
(Potential funding risks to Tiaki Wai Metro
Water)

Affordability is an issue

Storm tears up swathes of NZ, five States of Emergency declared

Wellington jobs fall by nearly 10,000
since election

Annual food prices increase 4.6 percent

\$27,900 a Year Isn't Enough — Seniors
Struggle as Living Costs Outpace NZ
Super in 2026

Even 'middle class'
struggling to pay rent

Community needs

Relief from high living costs, including rates
Reliable, efficient, and well-connected
transport options
Access to a healthy natural environment
A say in the decisions that affect them
An environment that is resilient to change

Rates increase scenarios

Scenarios	2027/28 – 2029/30 (years 1-3)	2030/31 – 2036/37 (years 4-10)	Implications for Organisation and Services
1 Current State	Around 9+% (up to 12%) This is what is current projected in the 2024-34 LTP with adjustments as a result of decisions made in the 2025/26 and 2026/27 Annual Plans.	Between 2% and 4% Aligns to proposed rates capping expectations	<ul style="list-style-type: none"> • Retain service levels for next 3 years • Smaller fees and fare increases • Minor workforce reductions • Maintain rates base and reserves • Flexibility on future increases • Meet obligations
2 Reducing requirements	8% stepping down to 4% Each year we step down the rates requirement towards max 4% rates increase by year 3.	Between 2% and 4% Aligns to proposed rates capping expectations	<ul style="list-style-type: none"> • Gradual reductions in service levels • Some deferrals to capital projects and infrastructure maintenance • Moderate fees and fare increases • Targeted workforce reductions • Reserves reduced • Reduced rates base • Some obligations at risk
3 Going low early	Between 6% and 4% Jumping straight to a maximum 6% or a minimum 4% rates increase in year 1 and carry this through year on year.	Between 2% and 4% Aligns to proposed rates capping expectations	<ul style="list-style-type: none"> • Core services only and immediate service reductions • Reducing capital projects and infrastructure maintenance • Divestment of some assets • Substantial fees and fare increases • Workforce reductions by substantive organisational review • Reserves significantly reduced • Smaller rates base • More obligations at risk

Discussion – What are councillors' views?

Focus of the next LTP session



A vertical photograph of a waterfall cascading over mossy rocks into a pool of water, located on the left side of the slide.

Strategic direction

Setting the scene

- **Horizon scan**
 - Outline current and projected trends that will impact long term planning
- **Mana whenua priorities**
 - Better understand and enable alignment with partners' priorities
- **Draft strategic framework**
 - Introduce new framework structure that will support prioritisation/trade-offs
 - Discuss draft framework content that has been developed based on existing strategic documentation

Future Bus Service Contract Procurement

Sustainable Workforce Policy (Bus)

12 MARCH 2026 - COUNCIL WORKSHOP

Kevin Forward – Programme Director TSP, Commercial Partnerships

Emmet McElhatton – Manager Policy, Strategy and Investment

Lauren Birse – Transition Lead, Commercial Partnerships

Scott Walker – Senior Policy Advisor, Strategy and Investment



Purpose

To provide an overview of the Draft Sustainable Workforce Policy (Bus) for inclusion in the next generation of Public Transport Bus Service Contracts

AGENDA

1. Background
2. What is the purpose of the Policy?
3. What will the Policy be used for?
4. Development of the Policy
5. What are the Workforce Areas covered by the Policy
6. Questions
7. Next Steps

Background

In June 2025 Council approved:

- the approach to recommend additional minimum employee terms and conditions in the future bus services contract
- the establishment of a Tripartite Working Group (TWG) consisting of unions, Bus and Coach Association (BCA), operators (both incumbent and non incumbent), Greater Wellington and NZ Transport Agency Waka Kotahi (observer).

Feedback indicated there was no clear support on proposed additional minimum terms and conditions by the TWG and officers proposed the development of a Sustainable Workforce Policy (Bus) (the Policy).

On 18 September 2025 Council approved the development of a Sustainable Workforce Policy, to be issued as a variation under the Regional Public Transport Plan (RPTP) and included as part of the next generation of Public Transport Bus Services Contracts.



What is the purpose of the Policy?

The purpose of the Policy is to:

Create a workforce policy that ensures fair pay, safe and healthy working conditions, and overall wellbeing, aligning with the Principles in Section 115 of the Land Transport Management Act 2003.

Strengthen workforce sustainability by improving attraction and retention, offering career development and ongoing training, and setting clear requirements that enhance working conditions.

Establish a constructive process for workforce matters, providing a forum to identify issues, discuss them openly, and implement solutions.

Maintain responsible financial management for Greater Wellington while delivering these outcomes.



What will the Policy be used for?



- Inform the market of Greater Wellington's expectations and requirements for building and maintaining fair and equitable employment of people in the public transport workforce to ensure that there is a sufficiently robust labour market to sustain and expand public transport services
- Support the monitoring of workforce-related outcomes and standards as set per the NZTA's guidelines e.g. staffing levels, staff turnover, recruitment and retention initiatives, future workforce planning
- Implement new strategies to improve workforce safety and wellbeing
- Without limiting the terms of the Bus Services Contract between Greater Wellington and an Operator, create clear individual and shared responsibility for all parties involved in the provision of Metlink's bus services
- Inform network planning/timetabling (noting there is a separate process for developing network and timetable planning changes that sits outside of this policy)

Development of the Policy

The Policy was developed in conjunction with the TWG through four workshops:

- Workshop 1 – 10 September 2025
- Workshop 2 – 6 October 2025
- Workshop 3 – 31 October 2025
- Workshop 4 – 5 December 2025

The Policy was then tested internally with our legal team and with our external legal adviser.

This was done to ensure the Policy provides no legal risks to Greater Wellington as it *will not* be used to replace individual and/or collective agreements, replace contract performance targets or workforce monitoring requirements set by NZTA, or replace the terms of the Bus Service Contract between Greater Wellington and an operator.



What are the workforce areas covered by the Policy?

Following discussions with the TWG, key workforce areas were identified and agreed as improving sustainability and workforce practices whilst attracting and retaining staff in the industry. These include:

- Driver Safety
- Training and Development
- Employee Terms and Conditions
- Diversity and Inclusion
- Facilities
- Planning, Scheduling and Attractive Shift Structures
- Governance, Accountability and Feedback
- Procurement
- Transition



How will the Policy be implemented and enforced?

Regional Public Transport Plan

The Policy is proposed to be issued as a variation to the Regional Public Transport Plan (RPTP) and would apply to all Metlink bus services contracts procured after the Policy is incorporated into the RPTP, with the intention that it will be in place ahead of the Tranche One Bus Services Contract tender in May 2026.

Tender Evaluation

When submitting tender bids for the Bus Services Contracts, operators will be required to comply with the principles and conditions specified in the SWP. Operators demonstrating workforce practices that exceed the minimum requirements will receive higher evaluation scores.

Contract Clause

A compensable clause will be added to the Future Bus Services Contract to allow for any cost implications that result from changes to the SWP (with cap/collar limit).

Governance

The Operational Forum, as outlined in the Future Bus Services Contract, will be used to discuss workforce related issues and alignment with the SWP throughout the duration of the Future Bus Services Contract.

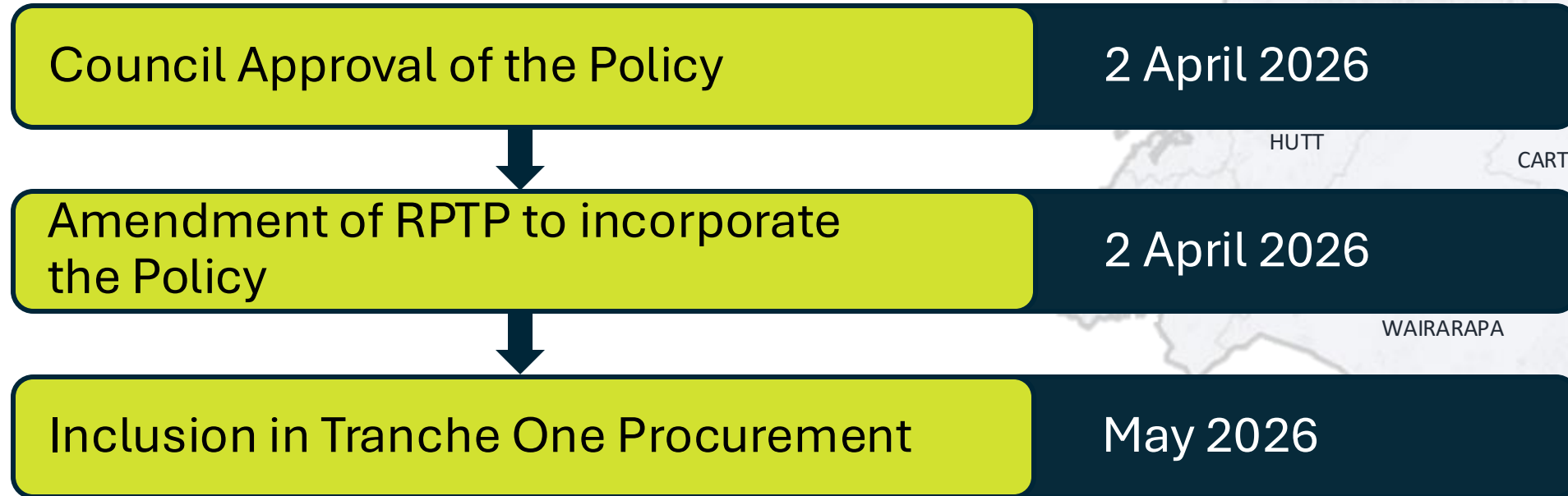


Question for Councillors

Do Councillors have any questions on the workforce areas and obligations as detailed in the draft Policy?



Next Steps



Sustainable Workforce Policy (Bus)

Vision: The Sustainable Workforce Policy sets out Greater Wellington’s expectations for an employment relations environment in public transport that will support the delivery of an efficient, accessible, reliable, affordable and low carbon public transport network and make public transport an attractive career option for workers

What is the purpose of the Sustainable Workforce Policy?

To create a policy which promotes fair pay, safe and healthy working conditions, and wellbeing for all employees (bus drivers and workshop staff).

This includes:

- Aligning to the Principles in Section 115 of the Land Transport Management Act 2003.
- Identifying ways to improve workforce attraction and retention.
- Providing career development opportunities, ongoing training and upskilling.
- Providing specific workforce requirements to improve working conditions.
- Working group approach for workforce matters to be identified, discussed and have strategies implemented to resolve any issues.
- Ensuring fiscal responsibility for Greater Wellington.

What will the Sustainable Workforce Policy be used for?

The policy will be used to:

- Inform the market of Greater Wellington’s expectations and requirements for building and maintaining fair and equitable employment of people in the public transport workforce to ensure that there is a sufficiently robust labour market to sustain and expand public transport services.
- Support the monitoring of workforce-related outcomes and standards as set per the New Zealand Transport Agency’s guidelines e.g. staffing levels, staff turnover, recruitment and retention initiatives, future workforce planning.
- Implement new strategies to improve workforce safety and wellbeing.
- Without limiting the terms of the Bus Services Contract between Greater Wellington and an Operator, create clear individual and shared responsibility for all parties involved in the provision of Metlink’s bus services.
- Inform network planning/timetabling (noting there is a separate process for developing network and timetable planning changes that sits outside of this policy).

What will the Sustainable Workforce Policy not be used for?

The policy will not be used to:

- Replace individual and/or collective bargaining agreements.
- Replace contract performance targets or workforce monitoring requirements set by the NZTA.
- Replace the terms of the Bus Service Contract between Greater Wellington and an Operator.

What are the outcomes and benefits being sought through the Sustainable Workforce Policy?

Outcomes

- Improved staff retention and reduced turnover across public transport operators.
- Enhanced passenger experience through a motivated, well-supported workforce.
- Greater alignment between employment practices and regional transport goals.
- Increased reliability of services resulting in increased patronage.
- Enhanced perception of bus driving as an attractive career option.

Benefits

- A resilient, future-ready workforce that supports service continuity and innovation.
- Reduced operational risks through proactive workforce planning and compliance.
- Stronger partnerships between operators, employees, and Greater Wellington.
- Adoption of new technologies to improve the delivery of services.

What will the Sustainable Workforce Policy achieve?

The policy will be deemed to have been successful if:

- There is improved retention of staff.
- There is less difficulty attracting drivers to fill vacancies.
- Services disruptions due to workforce related issues are minimised and do not relate to having a shortage of staff.

What are the guiding principles of the Sustainable Workforce Policy?

Fairness and Equity

Commitment to foster a diverse and inclusive workforce that reflects the communities it serves. Recruitment, retention, and development practices that promote equal opportunity and eliminate barriers to participation.

Workforce Sustainability and Development

A future-ready workforce supported through ongoing training, career development, and upskilling to meet emerging needs in the public transport industry.

An Attractive Career Option

Ensuring drivers are valued as essential contributors to the region’s public transport system, with continuous effort to improve job satisfaction, and the general working environment.

Wellbeing and Safety

Safe working conditions, access to mental health support, and appropriate facilities to support a healthy and resilient workforce.

Collaboration and Partnership

Build strong, transparent and mutually respectful relationships to support shared goals, continuous improvement and workforce sustainability.

Resilience and Adaptability

Support the workforce to adapt to technological, environmental, and structural changes, ensuring long-term resilience and service continuity.

Fiscal Responsibility

Employment and commercial arrangements are consistent with the financial constraints of Greater Wellington.

What are the roles and responsibilities?

Shared Responsibilities

- Working together to identify practical solutions to operational challenges.
- Working through the appropriate channels.
- Sharing data to drive improvements.

Greater Wellington/Metlink

- Considering workforce impacts in network planning and service design decisions.
- Designing contracts and procurement processes that enable positive workforce outcomes.
- Monitoring contract performance against workforce-related commitments.
- Facilitate ways to improve safe work environments including passenger behaviour.
- Be a champion for promoting being a bus driver as an attractive career option.
- Working with Territorial Local Authorities, operators and unions to provide access to safe, accessible and convenient on-road facilities for comfort breaks.

Operators

- Being a good employer that actively recruits, retains, and develops its people.
- Offering fair and attractive terms and conditions of employment.
- Creating and maintaining a safe and positive day-to-day work environment and culture.
- Providing accurate data to Greater Wellington/Metlink for monitoring purposes.

Employees/Drivers

- Provide feedback on working conditions and service delivery to support continuous improvement.
- Adhere to safety protocols, contribute to a respectful, inclusive workplace culture and ensure publicly provided facilities are well looked after.

Unions

- Represent members in employment matters and engage constructively with operators and Greater Wellington to resolve issues.
- Support workforce development initiatives and promote equitable employment practices.

Application: This policy is issued through a variation to Te Mahere Waka Whenua Tūmatanui o te Rohe Te Upoko o te Ika a Maui Wellington Regional Public Transport Plan (RPTP) 2025-35. This policy will apply to Metlink Bus Services Contracts procured after the date by which the policy is included in the RPTP.

What are the specific policy areas and obligations* covered by the Sustainable Workforce Policy that help move us move toward our aspirations?

* obligations must be applied unless specifically agreed between the employer and employee

Driver Safety and Wellbeing

Aspirations:

- Harmful interactions and antisocial behaviours on the network are minimised.
- Standardisation of approved and effective de-escalation training.

Obligations:

Greater Wellington, operators and unions will jointly develop, resource, and maintain robust safety management systems that proactively address:

- Environmental factors – this covers all issues that are out on the job and Greater Wellington’s network.
- Structural factors - this covers all issues around work patterns and ergonomic work environment to help reduce driver fatigue, increase health benefits and reduce harm.

Training and Development

Aspirations:

- Career pathways for drivers and workshop staff are promoted and supported while high performance is recognised and rewarded.
- Drivers are consistently and comprehensively trained to national standards.

Obligations:

- The Operator will develop and implement a Driver reward and recognition programme that encourages staff development, staff retention and a positive staff culture.
- Operators and Unions, supported by Greater Wellington, will promote and provide access to training and professional development opportunities to build capability and provide clear career pathways within the sector.

Employee terms and conditions

Aspirations:

- Employment terms and conditions strike balance between providing drivers with appropriate wages and providing the market conditions to foster a competitive market for the provision of public transport bus service in the Wellington region.

Obligations:

- Greater Wellington is committed to securing improved terms and conditions for Drivers through its next generation of Bus Services Contracts.

Minimum Driver wage: The Operator will:

- a. Pay Drivers no less than the minimum driver wage as then specified by the Transport Agency or the Living Wage Rate (as per Living Wage Aotearoa) (whichever is higher); and
- b. Pass through to Drivers any indexation payment attributable to wages for Drivers (as per Transport Agency index and subject to available Transport Agency funding).

- Living wage rate: The Operator will ensure that:

- a. All Operator employees (other than Drivers); and
- b. All employees of Operator’s contractors; (in each case where those Operator and contractor employees provide services to Greater Wellington related to the Bus Services Contract on a continuous supply basis (i.e. they are “Dedicated Employees”)), are paid an hourly wage rate of no less than the Living Wage Rate.

- If an employee is summoned for Jury Service the operator must:

- a. Grant leave for the duration of jury service as required by law.
- b. Continue to pay the employee their ordinary base salary during the period of jury service (with employee remitting any jury service attendance fees to the operator).

- Meal breaks: driver must be allowed to access appropriate on-road facilities (including depots) to have a proper meal break or be provided with a meal allowance if this is not achievable.
- Operators must ensure that split shift breaks consist of a minimum of two hours between shifts.

Planning, Scheduling and Attractive Shift Structures

Aspirations:

- Split shifts with multiple breaks are minimised (except for part-time workers).
- Driver rosters are set sufficiently in advance to allow drivers to commit to family and social activities.

Obligations:

- Greater Wellington to design bus services that aim to support safe, fair, and attractive working hours, break times, and shift structures that account for the differing services

- The Operator will, to the extent practicable:

1. Develop Driver rosters that minimise the use of split shifts in the creation of Driver duties and Greater Wellington will seek (to the extent practicable) to develop Timetables that minimise the need for Driver split shifts; and
2. Review the applicability of minimum shift specifications.
3. Requires first book-on and final book-off to be at the same location.

Diversity and Inclusion

Aspirations:

- Maintain the current diverse workforce in the Wellington region.

Obligations:

The Operator will, as part of the annual planning process for the Business Plan, work with Greater Wellington to monitor the diversity of the workforce to ensure it continues to represent the wide range of communities in the Wellington region, noting that it may be difficult to recruit drivers from some communities due to the nature of the job.

What are the specific policy areas and obligations* covered by the Sustainable Workforce Policy that help move us move toward our aspirations?

* obligations must be applied unless specifically agreed between the employer and employee

Facilities

Aspirations:

- Facilities provided for drivers support increases in overall wellness and job satisfaction.
- Facilities could include depots or other agreed driver facilities out in the network.

Obligations:

- Greater Wellington will work with the operators and Unions to ensure drivers have access to clean and safe bathrooms, rest areas and eating spaces in agreed upon places on the network, either via Greater Wellington owned facilities or by negotiated access to third party facilities.
- Greater Wellington to work more closely with our local council partners to address concerns when they are raised around new facilities.
- the on-road facilities provided by Greater Wellington directly or to which negotiated access has been gained, will be treated with respect by the workforce and left in an appropriate state for the next drivers to use.

Governance, Accountability and Feedback

Obligations:

- Establish working groups between Greater Wellington, Operators and Unions to enable continuous improvement on the Sustainable Workforce Policy through regular review and stakeholder consultation.
- Driver feedback: The Operator acknowledges and accepts that an important part of the development and the sustainable improvement of Driver resource is the receipt of feedback from Drivers. As part of the continuous improvement approach to the delivery of Bus Services, Greater Wellington encourages and supports feedback from Drivers through their unions or applicable representatives.
- Key Results Areas identified by the Transport Agency will be reported on with Greater Wellington having the ability to designate any attributes as a service improvement measure for focused improvement under the Bus Services Contract with an Operator.
- The Sustainable Workforce Policy (Bus) can only be amended by Greater Wellington Regional Public Transport Plan variation process.

Procurement

Obligations:

- Alongside achieving value for money, Greater Wellington will assess tenders using criteria that recognises better employment terms, staff development plans, and initiatives that foster a positive workplace culture and working environments.
- Greater Wellington supports the provision of penal rates for overtime.

Transition

Obligations:

- Include tender and contractual provisions that enable effective transitions when operators change. These provisions must aim to foster employment continuity and minimise workforce disruption and uncertainty.
- The Operator will work with Greater Wellington and any third party (as required) in the development of workforce arrangements that allow for employment opportunities for drivers (and other staff) when a transition of staff is required as a result of a change in law or procurement process.

Te Hunga Whaikaha Total Mobility

Government direction to lower fare cap and maximum subsidy amounts

12 MARCH 2026 - COUNCIL WORKSHOP

Hannah Geddis – Manager, Bus, Ferry & Te Hunga Whaikaha Total Mobility Operations

Paul Tawharu – Senior Manager Operations

Tim Shackleton – Senior Manager Strategy & Investments



Purpose

To seek Council views on the reduction in Total Mobility fare cap levels in accordance with government policy and NZTA direction

AGENDA

1. Background
2. Options
3. Implications
4. Potential Savings
5. Next Steps



What is Te Hunga Whaikaha Total Mobility?

- Total Mobility is a national scheme, which supports disabled people who cannot use public transport independently, some or all of the time
- The Metlink arm of the scheme is “*Te Hunga Whaikaha Total Mobility*” (THWTM) which subsidises the cost of door-to-door travel for people who are unable to access Metlink public transport services.
- In the Greater Wellington region, the current subsidy is 75% of the total fare up to a maximum subsidy of \$60 per trip
- Note the 75% is a fixed subsidy on fare per trip set by Government – whereas the maximum subsidy is a ceiling set by regions and vary region by region
- We have around 16,000 registered customers in the region
- The average THWTM fare is around \$30.00
- The average customer takes 7 trips per month.
- Last customer satisfaction survey results were 99%



Historical changes to Total Mobility

Refer to slide 9 for full fare breakdown

PRE-COVID

(PRIOR TO 2022)

Max Fare Cap = \$80
 Fare subsidy = 50%
 Max subsidy = \$40

SHORT JOURNEY (\$30 FARE)

Customer pays	\$15
NZTA pays	\$9
GW pays	\$6

LONG JOURNEY (\$100 FARE)

Customer pays (\$40 + 20 excess over cap)	\$60
NZTA pays	\$24
GW pays	\$16

DURING COVID

For a period during COVID lockdown, Government 100% subsidised essential TM travel, aligned with free PT fares.

CURRENT REGIONAL MAXIMUM FARE CAP LEVELS

Auckland	\$80
Wellington	\$80
Christchurch	\$70
Dunedin	\$60

Full regional table available in appendix

CURRENT

(POST 2022)

Max Fare Cap = \$80
 Fare subsidy = 75% *
 Max subsidy = \$60

SHORT JOURNEY (\$30 FARE)

Customer pays	\$7.50
Crown pays	\$7.50
NZTA pays	\$9
GW pays	\$6

LONG JOURNEY (\$100 FARE)

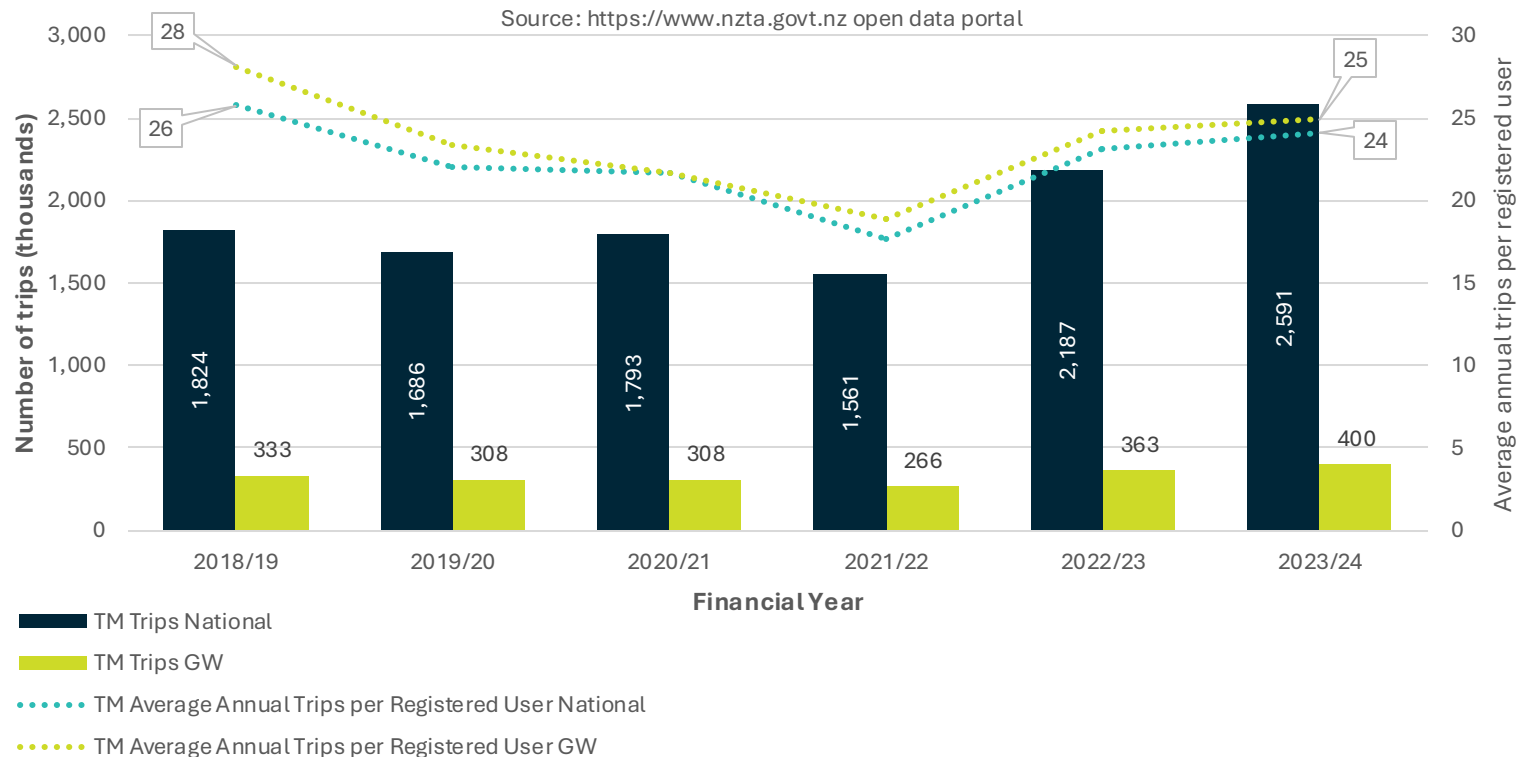
Customer pays (\$20 + 20 excess over cap)	\$40
Crown pays	\$20
NZTA pays	\$24
GW pays	\$16

* During the COVID recovery period, Government increased the TM subsidy to 75%, with Crown funding the additional 25% subsidy through the Climate Emergency Recovery Fund (CERF)

Increasing Total Mobility usage

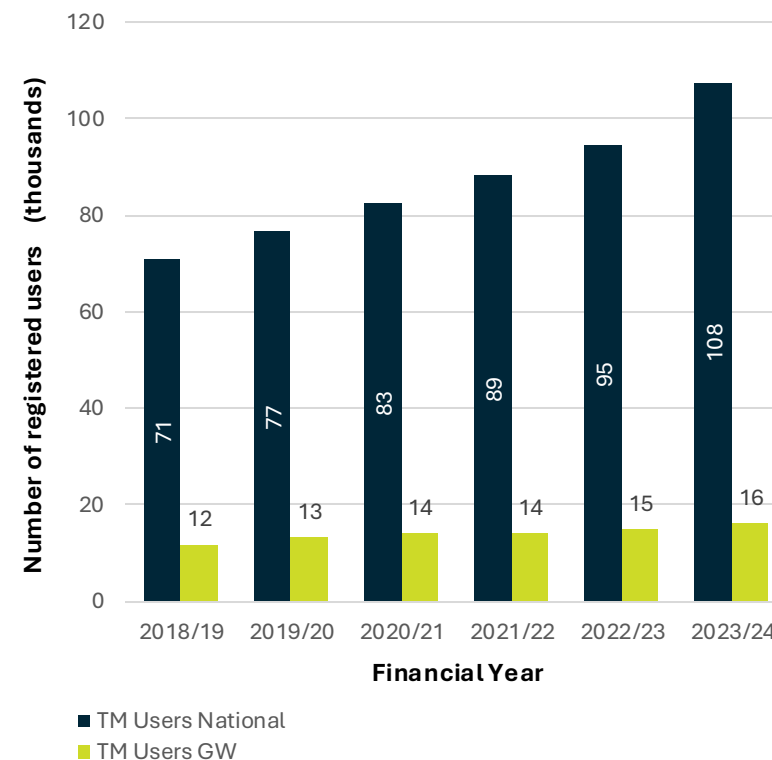
NUMBER OF ANNUAL TOTAL MOBILITY TRIPS AND AVERAGE ANNUAL TRIPS PER USER

Source: <https://www.nzta.govt.nz> open data portal



REGISTERED TOTAL MOBILITY USERS

Source: <https://www.nzta.govt.nz> open data portal



- Due to the increase in usage, Greater Wellington (and other PTAs) are consistently exceeding the Total Mobility operational budget year-on-year.
- As such, Government have announced key changes for Total Mobility and measures to strengthen the scheme to ensure sustainability and fairness

Operational oversight to ensure value for service

We have strong operational oversight of THWTM. We:



Have brought THWTM arotake (assessments) in house to:

- Ensure consistent application of the eligibility criteria
- Improve customer experience and oversight of the assessment process
- Limit phone-only assessments; if there is any doubt about eligibility, we meet customers in person
- Provide non-eligible applicants with clear information about alternative public transport options (e.g., *Community Connect*, *timetable advice*)



Review and validate flagged trips to ensure only trips that meet Total Mobility terms and conditions are paid



Maintain strong operational relationships with taxi operators, which:

- Ensures drivers understand the scheme's terms and conditions
- Supports consistent delivery and reduces inappropriate or out-of-scope trips

“A review of the Total Mobility Scheme confirmed that robust processes and controls are in place to manage NZTA’s investment effectively. Daily vetting of trips and withholding of flagged payments ensure compliance and accuracy. Sampled payments were valid and well-documented, and provider contracts aligned with NZTA requirements.” – Investment Audit Report, 2025, NZTA



Options regarding the maximum fare cap

PRE-COVID

(PRIOR TO 2022)

Max. fare cap = \$80
Fare subsidy = 50%
Max. subsidy = \$40

CURRENT

(POST 2022)

Max. fare cap = \$80
Fare subsidy = 75%
Max. subsidy = \$60

OPTION 1:

RETAIN THE CURRENT \$80 FARE CAP

Reduce the 65% fare subsidy (from 75%) but retain the \$80 maximum fare cap.

Fare cap = \$80 (*no reduction*)
Subsidy rate = 65%
Maximum subsidy = \$52

Risk: NZTA have indicated that they will redistribute any savings to PTAs to address budget overruns by demand. If we are seen as not responding to the national direction we may not receive additional funding

RECOMMENDED

OPTION 2:

REDUCE THE FARE CAP TO \$70

Reduce the 65% fare subsidy (from 75%) and reduce the maximum fare cap from \$80 to \$70.

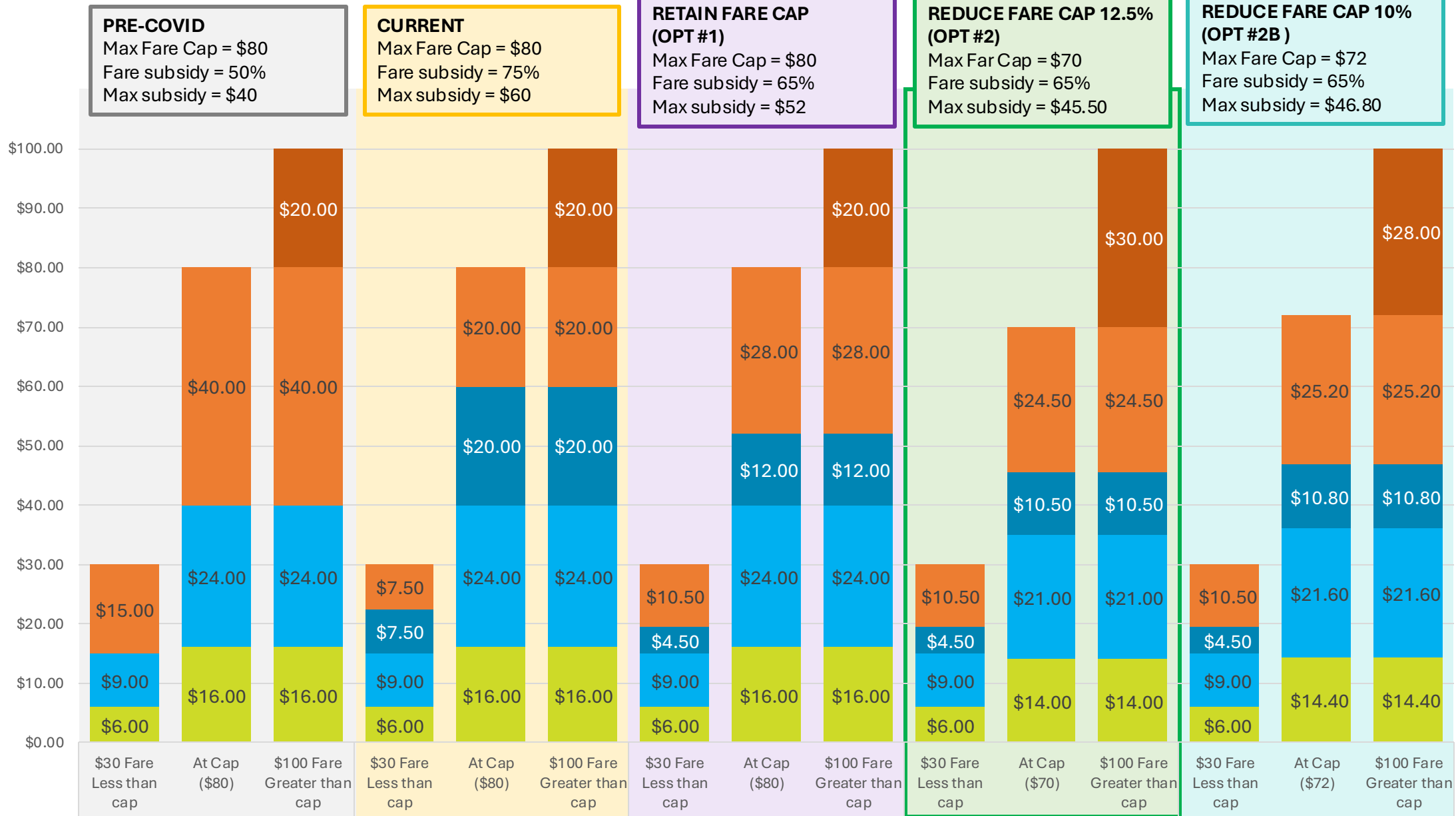
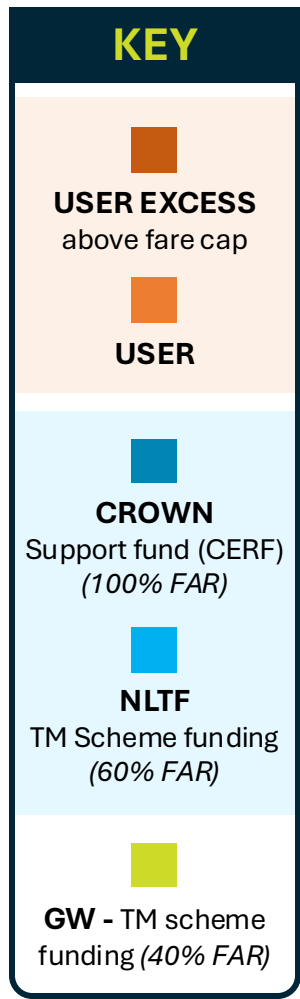
Max Fare Cap = \$70 (*12.5% reduction*)
Subsidy rate = 65%
Maximum subsidy = \$45.50

Risk: Potential negative reaction by the public for a reduction greater than the 10% requested by Government*

Benefit: this option maintains the subsidy-to-fare balance, presenting the simplest and most easily communicated package

* 10% reduction only has been included in comparative division of costs, referred as Option 2B, next slide

Cost division of TM options



Customer implications for recommended option

Impact on TM taxi trips:

All options are estimated to reduce TM taxi trips by approx. 10%

Impact on fare for TM users:

- For all trips below the maximum fare cap, customers will pay 35% instead of 25% of their trip.
- However, the fare cap will only impact those customers whose trip values exceed \$70
- The maximum impact of this for any given journey will be \$10 more to the customer
- This is expected to be around 6% of all trips. (currently only 3% of all trips are above the higher cap)



Number and % of trips by total fare per trip

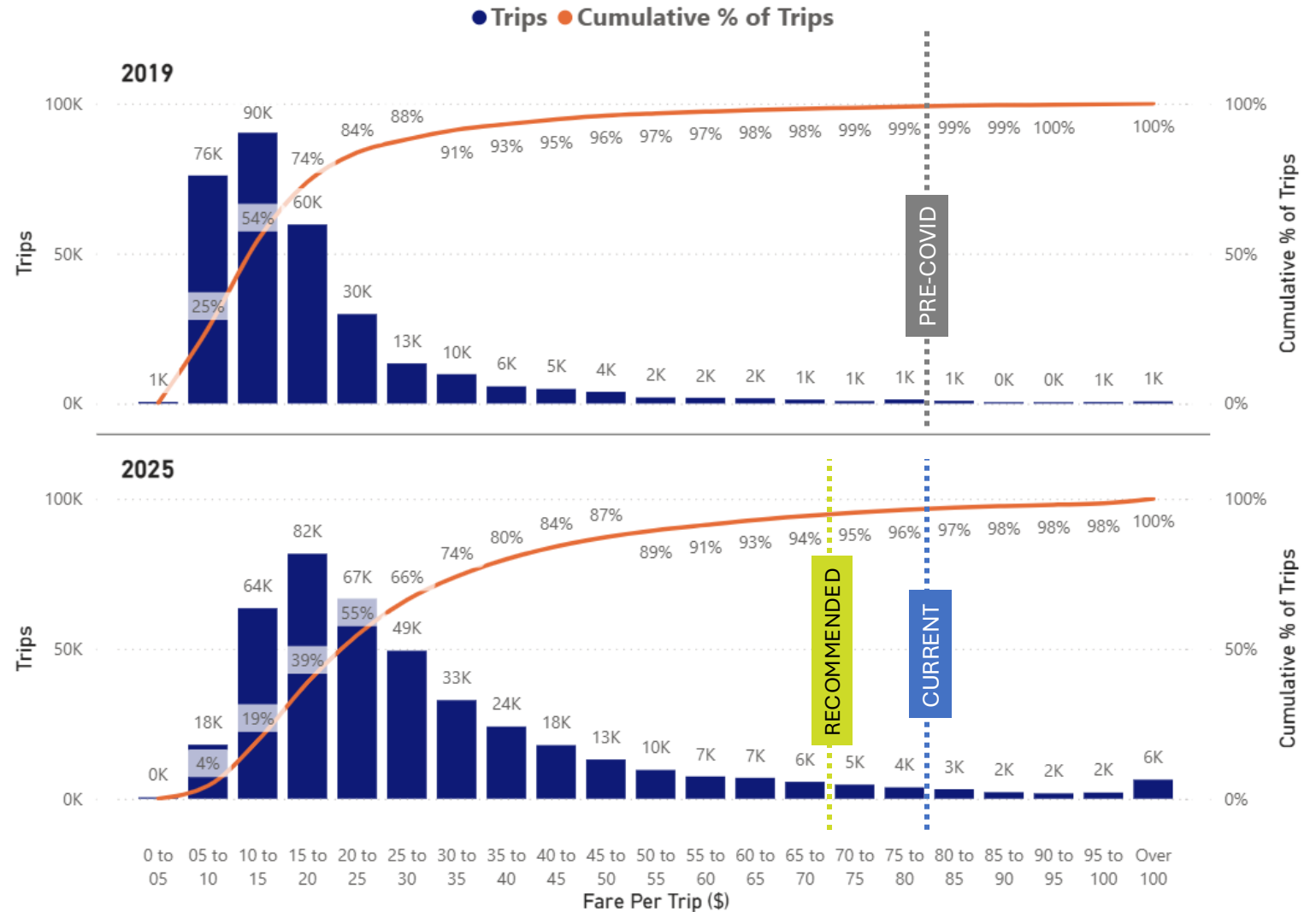
The majority of THWTM customers are taking lower value trips - nearly 60% of fares for TM taxi trips are less than \$20.

For reference, a \$70 taxi trip roughly equates to travel from Hutt Hospital to Trentham, or Tawa to Wellington CBD.

The vast majority (~97%) of THWTM users are not reaching the current \$80 maximum fare cap (or \$60 maximum subsidy).

NUMBER OF TM TRIPS & CUMULATIVE % OF TRIPS

Source: Ridewise Data

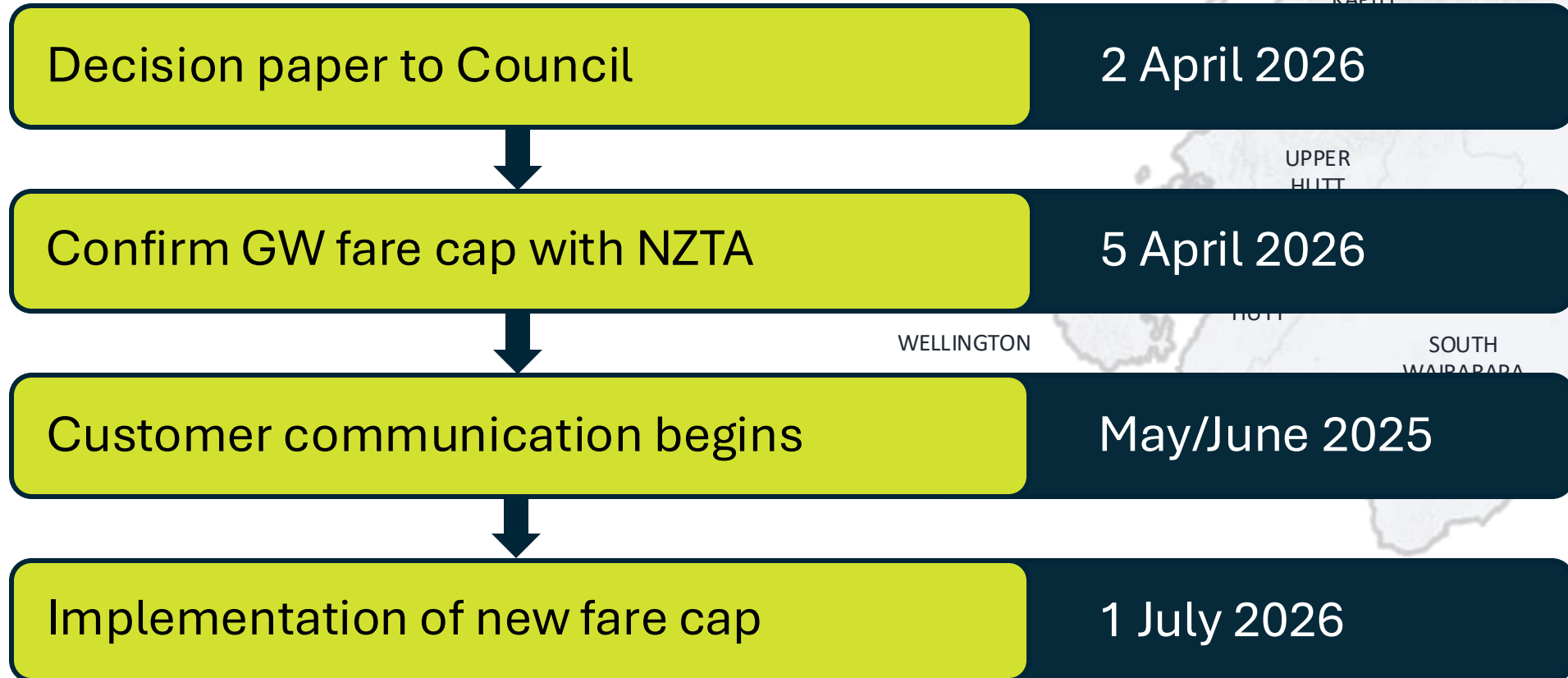


Any Questions?

Do you have any questions or feedback for
Officers?



Next Steps



Appendices

For your information

Implications of preferred option

- **Reducing the subsidy** from 75% to 65% has the biggest effect on total subsidy, largely for government
- **Reducing subsidy cap** has significantly lesser effect – roughly every \$1 reduction saves around \$30k total subsidy
- **Overall saving for GW** is likely to be minor as saving largely comes from the Crown support fund (reducing the current 25% Crown support component to 15% brings the 75% total subsidy down to 65%)

ESTIMATED IMPACT OF PREFERRED OPTION

Fare subsidy reduced from 75% to 65%, max fare cap reduced 12.5% from \$80 to \$70, max subsidy reduced from \$60 to \$45.50

Components of TM fare	Current Split	Actuals 2025 approx.	Split @ 65% subsidy	Estimated \$ @ 65% subsidy	Estimated % change for each component	Estimated \$ change for each component	Split between GW & NZTA	
							Estimated \$ change for GW @ 40% FAR	Estimated \$ change for Government @ 60% FAR
Total taxi fare	100%	\$12,050,000	100%	\$10,710,000	-11%	-\$1,340,000	\$0	\$0
Scheme fund	50%	\$5,760,000	50%	\$4,990,000	-13%	-\$760,000	-\$310,000	-\$460,000
Crown support fund	25%	\$2,880,000	15%	\$1,500,000	-48%	-\$1,380,000	\$0	-\$1,380,000
TM user	25%	\$3,410,000	35%	\$4,220,000	+24%	+\$810,000	\$0	\$0
Total subsidy (Scheme + support)	75%	\$8,640,000	65%	\$6,490,000	-25%	-\$2,140,000	-\$310,000	-\$1,840,000

Current regional maximum fare cap levels

REGION	FARE CAP	MAX SUBSIDY
Auckland	\$80.00	\$60.00
Bay of Plenty	\$50.00	\$37.50
Canterbury	\$70.00	\$52.50
L Gisborne	\$12.00	\$9.00
Hawke's Bay	\$50.00	\$37.50
Manawatū-Whanganui	\$20.00	\$15.00
Marlborough	\$30.00	\$22.50
Nelson / Tasman	\$30.00	\$22.50
Northland	\$60.00	\$45.00
Otago	\$50.00	\$37.50
Southland	\$50.00	\$37.50
Taranaki	\$40.00	\$30.00
Waikato	\$30.00	\$22.50
Hamilton City	\$30.00	\$22.50
Matamata-Piako District	\$80.00	\$60.00
South Waikato (Tokoroa)	\$15.00	\$11.25
Taupō District	\$25.00	\$18.75
Thames-Coromandel District	\$30.00	\$22.50
H Waikato District	\$100.00	\$75.00
Waipā District	\$25.00	\$18.75
Wellington	\$80.00	\$60.00
West Coast	\$30.00	\$22.50
Grand Total	\$50.00	\$37.50

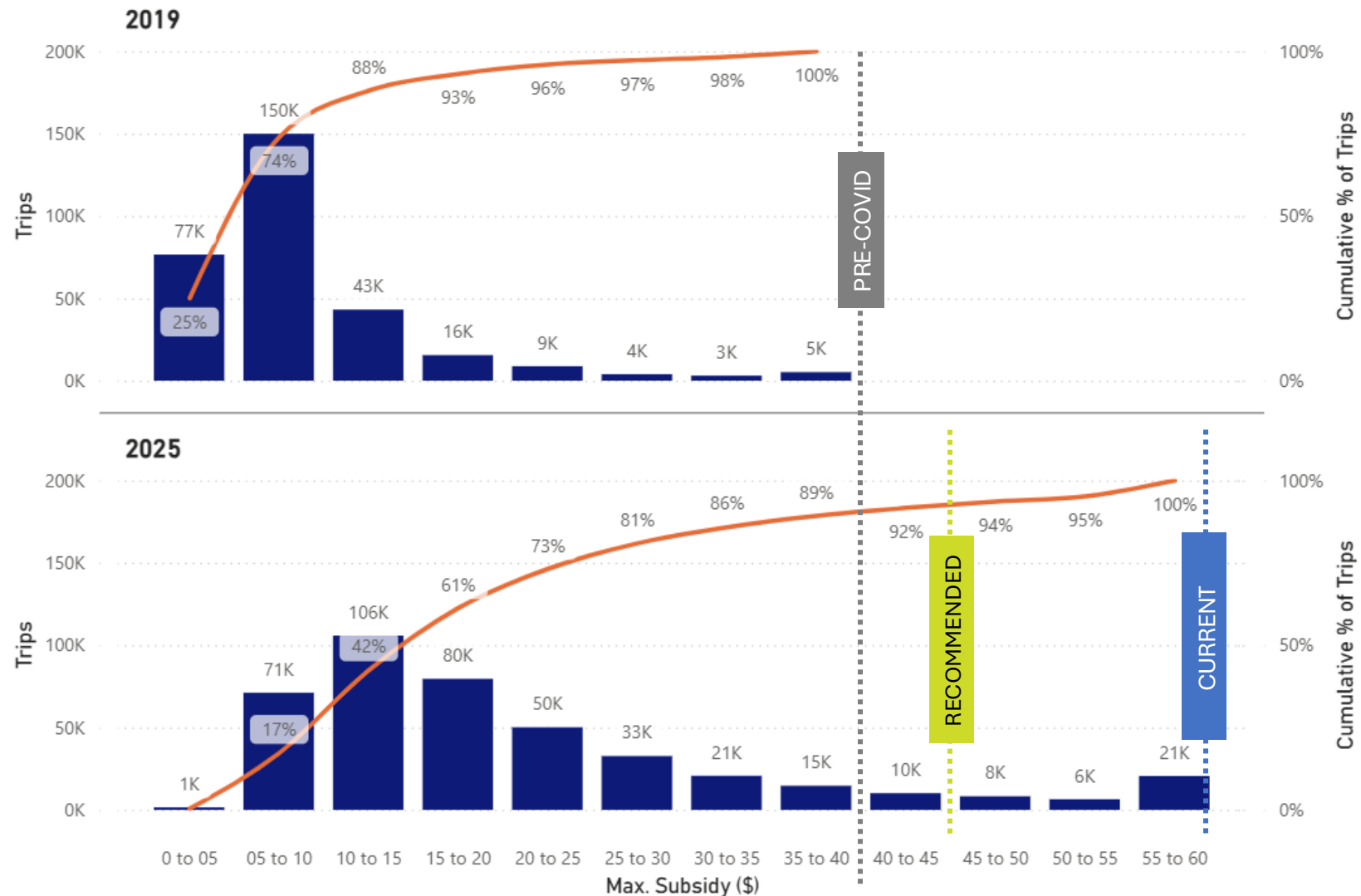


Number and % of trips by max. subsidy per trip

Number of TM Trips and Cumulative % of Trips

Source: Ridewise Data

● Trips ● Cumulative % of Trips



The vast majority (~97%) of THWTM users are not reaching the current \$60 subsidy cap.

Fares for nearly 60% of TM taxi trips are less than \$20.

Estimated patronage impact

Overall:

- Changing the regional fare cap is unlikely to have any material impact on TM trips.
- Reducing the scheme subsidy from the currently 75% to 65% will have the biggest effect on TM trips

For example:

Keeping the current \$80 fare cap, and reducing the current 75% scheme subsidy to 65% is estimated to reduce number of TM trips by approx. 48k

Reducing the current \$80 fare cap to \$70 (recommended option) would further reduce TM trips but by only a small amount (approx. 1k)

ESTIMATED IMPACTS OF ADJUSTING FARE CAP ON TOTAL TM TRIPS WITH THE 65% SCHEME SUBSIDY SET BY THE GOVERNMENT

Source: Model using actual Ridewise data for 2025

