



If calling, please ask for Democratic Services

Council

Thursday 22 June 2023, 1.00pm

Taumata Kōrero, Council Chamber, Greater Wellington Regional Council,
100 Cuba St, Te Aro, Wellington

Quorum: Seven Councillors

Members

Cr Ponter (Chair)

Cr Staples (Deputy Chair)

Cr Bassett

Cr Connelly

Cr Duthie

Cr Gaylor

Cr Kirk-Burnnand

Cr Laban

Cr Lee

Cr Nash

Cr Ropata

Cr Saw

Cr Woolf

Recommendations in reports are not to be construed as Council policy until adopted by Council

Extraordinary Council

Thursday 22 June 2023, 1.00pm

Taumata Kōrero - Council Chamber, Greater Wellington Regional Council
100 Cuba St, Te Aro, Wellington

Public Business

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Council
22 June 2023
Report 23.280



For Decision

IMPLEMENTATION OF THE GOVERNMENT'S RECENT PUBLIC TRANSPORT FARE INITIATIVES

Te take mō te pūrongo

Purpose

1. To seek Council agreement to implement the extended Community Connect initiatives as presented in Budget 2023.
2. To propose, for Council consideration, an interim measure to extend universal half price public transport fares until Greater Wellington can implement the extended Community Connect initiative.

He tūtohu

Recommendation

That Council:

- 1 **Notes** that on 14 March 2022, the Government announced an initiative to provide funding to allow for all public transport fares to be halved for three months commencing on 1 April 2022 (Half Price Fares Initiative), followed by a number of time extensions to 30 June 2023.
- 2 **Notes** that on 19 May 2022, the Government announced funding for a Community Connect initiative to provide for half price public transport fares for Community Services Cardholders, now commencing on 1 July 2023 (Community Connect Initiative – CSC).
- 3 **Notes** that on 18 May 2023, the Government announced funding for an initiative to extend the Community Connect Initiative (Community Connect Initiative - Extended) from 1 July 2023 for public transport fares to be:
 - a Free for under 13 year olds
 - b Half price for under 25 year olds.
- 4 **Notes** that amending public transport fares is a decision that rests with public transport authorities (PTAS), in this case the Council.
- 5 **Notes** that Greater Wellington estimates that it will be in a position to implement the Community Connect Initiative by 1 August 2023 (as opposed to 1 July 2023).
- 6 **Notes** that to mitigate the impacts on some communities of not being able to implement extended Community Connect initiatives by 1 July 2023, officers have

considered several interim measures, which could be implemented from 1 July 2023 to bridge the gap until Greater Wellington's service provider Snapper is able to provide age-based concessions.

- 7 **Notes** that, to date, Greater Wellington has not undertaken age-based registration but believes this can be built into the backend concession system in just over a month.
- 8 **Notes** that, due to the short timeframe between the Council decision and 1 July 2023, Greater Wellington is only able to implement two options:
 - a Continuation of universal half price fares for all
 - b Return all current half price adult fares to full price, while all other concessions groups remain half price (including children).
- 9 **Notes** that under both options, free fares to under 13s is unavailable; however, option a) would allow the absence of free child travel for families to be offset through cheaper adult fares during this one month period.
- 10 **Notes** that public transport operators have provided strong preferences to option a) which minimises the number of fare changes. If option b) is applied with limited time to communicate and update systems, a degree of customer and front line staff confusion is envisaged.
- 11 **Notes** that Greater Wellington has requested support from Central Government to allow Council to apply funding for implementation costs to fund the one-month extension of half price fares (interim measure option a).
- 12 **Notes** that it is estimated that extending universal half price public transport would cost Greater Wellington approximately \$2.0 million in lost revenue;
- 13 **Notes** that the Acting Minister of Transport has been asked to fund the interim measure to continue half priced fares.
- 14 **Agrees** as an interim measure for an expected one-month period commencing 1 July 2023:

[either]

 - a to extend universal half price fares on Metlink Public Transport for all

[or]

 - b to end half price fares adults while continuing half price fares for all other concession groups.
- 15 **Agrees** to implement from 1 August 2023 for **bus and rail**:
 - a Free fares for under 13-year-olds using Snapper cards
 - b Half price for under 25-year-olds using Snapper cards.
- 16 **Agrees** to implement from 1 August 2023 for **harbour ferry**:
 - a Free fares for under 13-year-olds using a free ferry ticket
 - b Half price for under 25-year-olds using a concession ticket.
- 17 **Authorises** officers to undertake actions to implement Council's decision.

Te tāhū kōrero

Background

Government fare initiatives

3. On 14 March 2022, the Government announced a suite of initiatives to respond to the rising cost of fuel and associated cost of living implications.
4. One of the initiatives announced was for funding to be provided to allow for all public transport fares to be halved for three months commencing on 1 April 2022.
5. On 19 May 2022, as part of Budget 2022, the Government announced:
 - a That it was extending its universal half price fares initiative for an additional two-month period (ending 31 August 2022)
 - b An initiative, called Community Connect. Community Connect provides funding and legislative framework to support Public Transport Authorities (PTAs) to provide 50 percent concession for community services card (CSC) holders on bus, train and ferry services in their regions from 1 September 2022.
6. On 17 July 2022, the Government announced that it was extending its universal half price fares initiative for an additional period (ending 31 January 2023) on all public transport services and Total Mobility taxi services. Greater Wellington was subsequently advised that the Community Connect scheme was not required to be implemented until 1 February 2023 (at the conclusion of the half price fares initiative).
7. On 14 December 2022, the Government announced:
 - a That it was extending its universal half price fares initiative for an additional two-month period (to 31 March 2023)
 - b The Community Connect Initiative for CSC cardholders would commence from 1 April 2023.
8. On 1 February 2023, the Government announced:
 - a That it was extending its universal half price fares initiative until 30 June 2023
 - b Community Connect Initiative for CSC cardholders would commence from 1 July 2023.
9. On 18 May 2023, the Government confirmed that funding for its universal half price fares initiative would end on 30 June 2023.
10. On 18 May 2023, the Government also announced funding for an initiative to extend the Community Connect Initiative (Community Connect Initiative – Extension) from 1 July 2023 for public transport fares to be:
 - a Free for under 13-year-olds
 - b Half price for under 25-year-olds.

Council decisions on implementing Government fare initiatives

11. As a Public Transport Authority, the Council determines fare levels for its public transport network.

12. To implement the Government fare initiatives, Council made the following decisions:
 - a On 17 March 2022, Council resolved to reduce Metlink Public Transport fares by a minimum of 50 percent for a three-month period commencing 1 April 2022 (refer Report 22.111)
 - b On 16 June 2022, Council (refer Report 22.255) resolved to:
 - i Reduce Metlink Public Transport fares by a minimum of 50 percent for an additional two-month period (ending 31 August 2022)
 - ii Implement the Community Connect Initiative [for CSC cardholders] on Metlink Public Transport services commencing on 1 September 2022, with transitional arrangements for the period between 1 September and 1 December 2022.
 - c On 25 August 2022 (refer Report 22.355), Council resolved to:
 - i To extend the reduced Metlink Public Transport fares by a minimum of 50 percent for an additional period concluding on the date when Government funding for this initiative ends.
 - ii To change the date for implementing the Community Connect Scheme [for CSC cardholders] on Metlink Public Transport services, to the date following the conclusion of the half-price fares initiative.

Regional Public Transport Plan

13. The fares policies in Te Mahere Waka Whenua Tūmatanui o te Rohe o Pōneke Wellington Regional Public Transport Plan 2021-2031 (RPTP) sets the strategic direction on future fares.
14. The RPTP sets out the following key policies in relation to fares:
 - a Policy 6(b) Apply a consistent fare structure and pricing approach that recognises the wider benefits and costs of public transport
 - b Policy 6(c) Provide concession fares to targeted groups to increase access to affordable services for those who are most dependent on public transport
 - c Policy 6(d) Provide incentives to encourage more frequent use of public transport, more off-peak travel, and greater use of electronic ticketing
 - d Policy 6(e) Ensure public transport users make a sustainable and equitable contribution towards funding of the network.
15. The policies in the RPTP guided the design of the Future Fares Direction Initiatives (see below).
16. On 25 August 2022 (refer Report 22.363) Council agreed through the adoption of the Future Fares Direction to the following fare initiatives:
 - a The adoption of an 'off-peak fares package' to be implemented from the beginning of the financial year 2023/24 which includes:
 - i An increase to the off-peak discount from the current 25% discount on the full adult fare to 50%; and

- ii The introduction of cumulative off-peak discounts for all concession holders.
17. On 23 February 2023 (refer Report 23.23) Council agreed to implement the following fare changes from 1 April 2023:
- a Increase off-peak discount from the current 25% to 50%
 - b Apply the 50% off-peak discount to the adult Snapper fares and all concessions available on Snapper.

Community Connect Initiative – CSC

18. From 1 July 2023, Community Services Card holders (CSC holders) will receive a 50% discount to the standard single trip electronic adult fare.
19. There are currently, 93,000 CSC holders in the Wellington region.
20. To receive the discount, Snapper cards must be registered. Snapper Cards are free for CSC holders.
21. Snapper cards are available at 11 Ministry of Social Development Te Manatū Whakahiato Ora (MSD) offices.

Implementation

Community Connect – Extended Initiatives

22. Greater Wellington faces a significant challenge in the implementation of the Community Connect – Expansion initiative.
23. The challenge relates to the age-registration/identity verification associated with two groups: 17 to 25 year-olds who are not in secondary or tertiary education; and 5 to 12 year-olds.
24. Many other New Zealand PTAs, as part of their voluntarily card registration processes, already capture age data. The Snapper card does not currently capture this data.
25. A means of capturing age data (Portal) is currently being built and integrated into Snapper's concession application algorithms.

Interim measures

26. To bridge the gap between 1 July 2023 and 1 August 2023 - the completion of a concession registration portal (which will allow for the implementation of the Community Connect – Extended initiative), officers have considered whether there are any interim measures that Greater Wellington could implement to reduce, as far as practicable, the effect on customers/families impacted by the current cost of living crisis.
27. There are two options available which are set out below. Under both options, free fares for children aged 5 to 12 will not be available until the registration portal is implemented.

Nga kōwhiringa

Options

Option A: Continuation of universal half price fares for one month period

28. Continuation of universal half price fares from 1 July 2023 until 1 August 2023, (when mechanisms are in place to offer the Extended Community Connect Initiative) is an option which will provide:
 - a A simple short-term solution for operator and customers
 - b For families, continuation of half price adult fares will help off-set the inability to offer free fares for under-13s until the registration portal is available (one month)
 - c For under 25s, the Government's half price fares initiative will be achieved (as opposed to going back to full fares for a one month period).
29. Public transport operators in the Wellington region have provided strong preferences to this option as it minimises the number of fare changes when compared with option b (below).
30. Continuing with the existing universal half-price fares is estimated to require additional funding of approximately \$2.0 million.
31. Greater Wellington has requested support from Central Government to allow Council to apply funding for implementation costs to fund the one-month extension of half price fares.
32. Recent Government Budget 2023 announcements have provided additional support to Greater Wellington public transport funding and recovery, which means that if Government funding is not received, the cost of this interim option can be funded from within transport reserves.

Option B: End half price fares adults but continue half price fares for all other concession groups until 1 August 2023

33. Under this option from 1 July to 1 August 2023:
 - a Current concession groups (Child, Tertiary and Accessible) would continue to receive a half price fare concession
 - b Adult fares would return to full fares
 - c Free fares for 5-12s would not be available
 - d Half priced fares for under 25s who have left school (and are not eligible for the concessions in paragraph 33a above) would not be available.
34. Community Connect - CSC will be in place from 1 July 2023, providing half price public transport fares for CSC cardholders.
35. Implementing this option (compared to option a above) would negatively impact under 25s who are not eligible for concessions as their fares would increase to full price for a month and then reduce to half price from 1 August 2023.
36. This option would necessarily mean more change for our operators and customers. Within a 4-6 week period, we would need to communicate and implement two sets of fares changes. This is likely to create confusion and potential angst for our customers.

37. This option is not estimated to require significant additional funding.

Ngā hua ahumoni Financial implications

38. The financial impacts of each of the interim measure options is set out above.
39. The selection of interim measure option A would result in a risk of approximately \$2.0 million if the Government does not confirm funding of this approach.
40. Due to recent budget announcements, it is expected this level of funding can be accommodated through transport reserves
41. All cost associated with subsidisation of fares reduction of all Community Connect initiatives are expected to fully offset the fare revenue that Greater Wellington would have otherwise received.
42. All setup costs required with the development of the registration portal are expected to be covered by central government
43. Whilst the finer details of the specific arrangements that will be put in place to reimburse us for this revenue foregone and additional administrative costs resulting from this initiative have yet to be fully confirmed by the Government, officers have received strong assurances from Government officials that we, and every other PTA, will be fully reimbursed for everything we have needed to do to implement the Government's initiative.

Ngā Take e hāngai ana te iwi Māori Implications for Māori

44. There are no known impacts for Māori.

Te huritao ki te huringa o te āhuarangi Consideration of climate change

45. The matters requiring decision in this report were considered by officers in accordance with the process set out in the Greater Wellington's Climate Change Considerations Guide.

Mitigation and adaptation assessment

46. There is no need to conduct a climate change assessment on these matters. Officers note that should this proposal be adopted it may result in mode shift and may increase patronage.

Ngā tikanga whakatau Decision-making process

47. The matter requiring decision in this report was considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga Significance

48. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matter, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*.

Community Connect - Extension

49. Officers consider that the matter is of low significance, on the basis that this decision implements a Government initiative and a reduction of fares for eligible groups will be fully funded.

Interim measure

50. Officers consider that the matter is of low significance, on the basis on funding availability and the decision simply being an extension to existing Council agreed fare pricing.

Te whakatūtakitaki Engagement

51. Officers have engaged with Waka Kotahi and Ministry of Transport on the Government's initiative.
52. Officers have undertaken extensive engagement with Snapper to identify the best approach to age registration.
53. Officers have engaged with Operators to determine the viability of reducing fares on the network. Operators have provided strong preferences to minimise the number of fare changes to avoid customer and front-line staff confusions.

Ngā tūāoma e whai ake nei Next steps

54. Should the Council decide to implement an interim option and/or decrease fare levels to align with the Government's recent announcement:
- a Officers will engage with the operators and Snapper to implement the fare changes.
 - b Officers will develop an appropriate customer and media campaign to advise Metlink customers of the fare changes and the operational and practical changes that will be undertaken to implement the Government's initiative.

**Ngā kaiwaitohu
Signatories**

Writers	Nicki Lau Young - Programme Director Metlink Operating Model, Metlink Tim Shackleton – Senior Manager Commercial, Strategy and Investments, Metlink
Approver	Fiona Abbott – Kaiwhakahaere Matua, Waka-ā-atea Acting Group Manager, Metlink

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council or Committee's Terms of Reference</i> The Council has authority to make the decisions in relation to funding fares initiatives for the Wellington Region.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The proposals in this report contribute to the delivery of public transport aspects of the 2021-31 Long Term Plan.
<i>Internal consultation</i> In preparing this report there has been consultation with officers in the Public Transport, Finance and Community Engagement departments.
<i>Risks and impacts: legal / health and safety etc.</i> Risks and impacts are addressed in the report.