



NZ TRANSPORT AGENCY  
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8 November 2012

Tim Hunter  
Deputy Editor  
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Fairfax Media  
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Dear Tim

### **Request made under the Official Information Act 1982**

Thank you for your email of 15 October 2012 requesting the following information under the Official Information Act 1982:

- 'Dollar figures of how much the NZ Transport Agency (NZTA) paid out in transport subsidies [for urban bus and ferry services] in each of the last 10 years.
- Details of the recipients of this funding and how much was paid in each of the last 10 years.'

This information is shown in the spreadsheet in Attachment A. You will note the top three tables relate to bus services and the bottom three relate to ferry services.

For each type of service, the spreadsheet shows:

- the NZTA's share of the total government subsidy provided for each contracted service
- the percentage of the total subsidy this represents
- the total subsidy provided for contracted services from both central and local government.

The NZTA is only able to provide details of its funding to regional councils and Auckland Transport (referred to as Approved Organisations). Each region has its own contracts with bus and ferry service operators.

You will note that since 2006/07, the NZTA's share has been set at a standardised rate of 50 percent of the total government subsidy for each service. Prior to this, the NZTA's predecessor operated a funding policy based on passenger numbers. Under that policy, regions received a base level of funding from central government for each service they provided. The base level was set at 40 percent of the total government subsidy.

If a service grew in terms of passenger numbers, it received more funding from central government. The additional funding was equivalent to the cost to the region of generating the growth in passenger numbers.

This funding policy was designed to give regions incentives to grow their bus and ferry services. It was only intended to run for four years in an attempt to 'kick start' growth in bus and ferry services. After the conclusion of the scheme in 2003/04, regions were moved to a new standardised rate of 50 percent.

In recent years there has been a focus on improving the effectiveness of public transport, with a Public Transport Leadership Forum established in 2009, and a sector action plan currently being implemented.

The Public Transport Operating Model (PTOM), announced by the government in March 2012, is a combination of planning, funding and procurement tools, which all aim to improve the efficiency and effectiveness of public transport for New Zealanders.

PTOM is intended to build long-term partnerships between regions and bus and ferry operators, which will incentivise the delivery of effective public transport services to communities. A bill to enact PTOM has been introduced to parliament and is currently being considered by the Transport and Industrial Relations Select Committee. The aim of PTOM is to grow patronage with less reliance on public subsidies.

PTOM has been developed by representatives from the public transport sector as part of a review of the Public Transport Management Act 2008. While the Ministry of Transport will manage legislative change, the NZTA will review its policies and procurement requirements to implement PTOM. Regions need to review their public transport planning policies and procurement approach to implement PTOM. They can implement the model ahead of legislative change if they wish, with approval from the NZTA.

Further information about PTOM can be found on the Ministry of Transport and the NZTA websites at:

<http://www.transport.govt.nz/ourwork/land/ptom/>

<http://www.nzta.govt.nz/resources/ptom-implementation-update/docs/ptom-information-sheet.pdf>

If you would like to discuss this reply with the NZTA, please contact Andy Knackstedt, National Media Manager, by email to [andrew.knackstedt@nzta.govt.nz](mailto:andrew.knackstedt@nzta.govt.nz) or by phone on (04) 894 6285.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dave Brash', with a long horizontal flourish extending to the right.

**Dave Brash**  
Group Manager Planning and Investment  
For Chief Executive