

MIN-4872 Private Share Targets for Public Transport Authorities

19 May 2025

An update on the Private Share Targets for Public Transport Authorities (PTAs) agreed by the NZTA Board.

NZ Transport Agency Waka Kotahi (NZTA) response:

- On 12 May 2025, the NZTA Board approved the following revised national and regional private share targets for PTAs for the 2024-27 NLTP period:

		Actual 18/19	Actual 23/24	Revised figures		
				24/25	25/26	26/27
National private share result		33.2%	21.9%	25.0%	26.3%	27.1%
Regional PTA private share target	Auckland	33.2%	25.8%	29.4%	30.2%	30.5%
	Wellington	36.9%	20.5%	23.9%	25.1%	25.7%
	Canterbury	28.2%	12.1%	11.6%	12.7%	13.5%
	Waikato	24.1%	9.9%	13.3%	15.6%	18.4%
	Otago	34.5%	19.0%	20.0%	25.0%	30.0%
	Bay of Plenty	17.7%	7.7%	10.0%	13.4%	14.4%
	Horizons	23.4%	11.9%	9.7%	11.2%	14.3%
	Taranaki	28.4%	13.0%	19.2%	21.7%	26.2%
	Nelson-Tasman	36.6%	11.1%	13.5%	15.6%	17.4%
	Hawke's Bay	24.0%	7.3%	9.4%	11.5%	13.1%
	Northland	20.1%	11.6%	11.7%	17.7%	19.1%
	Invercargill	20.3%	9.0%	7.6%	10.8%	14.0%
	Gisborne	19.9%	8.7%	6.6%	13.3%	15.1%
	Marlborough	14.1%	4.4%	5.0%	6.4%	6.5%
NZTA Board previously approved - Low target			21.7%	23.0%	27.0%	35.0%
NZTA Board previously approved - High target			21.7%	27.0%	32.0%	40.0%

- The adopted targets reflect extensive engagement and balance considerations for each PTA, including the need for not driving adverse outcomes such as patronage decline.
- Overall, PTAs are disproportionately responding to the request to increase private share via fare increases rather than other means such as increasing third-party revenue.
- To achieve higher targets, greater efficiency and value for money in the delivery of public transport, system challenges that are beyond an individual PTA's direct control will need to be addressed. NZTA is preparing a separate briefing regarding these.

Communications approach

- Following the delivery of this advice to the Minister, NZTA intends to communicate the outcome of the Board's decision by:
 1. notifying PTAs of the Board's decision and a full summary of the targets; and
 2. proactively releasing:
 - a. all national and PTA private share targets;
 - b. private share modelling used to develop the initial PTA targets;
 - c. source data for that modelling; and
 - d. NZTA advice provided to the Minister on private share targets.

Messaging and Back pocket Q+As

- The Government Policy Statement on land transport 2024 (GPS 2024) has set obligations for increasing private share revenue to support the ever-growing costs of public transport, as well as to reduce the burden on ratepayers and taxpayers.
- NZTA is committed to working alongside PTAs towards a financially sustainable public transport system for us all. Increasing the private share of public transport expenditure can help contribute to this goal.
- Public transport is funded from both public and private revenue sources. Private share measures the proportion of public transport operating expenditure that is funded from private sources such as passengers and third parties.
- The ratio between public and private funding generally changes over time because of passenger demand, national and regional policy changes, service levels and the costs of providing public transport services.
- Over the past 10 years, private share has been as high as 40 percent in 2016/17 and as low as 10 percent in 2022/23.
- For the past financial year ending June 2024, total national public transport operating expenditure was about \$1.4 billion and private share was about 20.6 percent, representing a significant increase from 11.6 percent in the previous year.
- Fare revenue (private revenue) for the same period from passengers totalled about \$300 million and funded about 20 percent of total operating expenditure. Third-party revenue, such as from advertising on public transport, accounted for less than 1 percent of total operating expenditure.

Are public transport fares rising because of the requirements to increase private share?

- NZTA is working alongside each regional Public Transport Authority to ensure a financially sustainable public transport system. GPS 2024 has set obligations for increasing private share revenue to support the ever-growing costs of public transport, as well as to reduce the burden on ratepayers and taxpayers. Increasing the private share of public transport can be achieved through various measures. Any fare increases are at the discretion of individual Public Transport Authorities, in accordance with the needs of their region.

What is third-party revenue in this context?

- Third party revenue encompasses revenue from sources other than fares, including advertising, sponsorship, rental income, and corporate fare schemes.

What is the consequence of not achieving the targets?

- Achieving the targets are not a requirement but NZTA does require evidence that PTAs are actively working towards the targets. Where an increase in private share has not been achieved, we will work together to find a solution.

Will public transport authorities need to cut services to achieve targets?

- Private share can be increased in several different ways, and the setting of targets is not intended to require or necessitate cuts to public transport services. Service reductions may be warranted in some cases but increasing private share will require an ongoing focus on value-for-money for our customers.

How will progress towards the targets be monitored?

- PTAs are required to submit quarterly reports on a range of topics, including Increasing Private Share. This regular reporting as well as regular one-on-one meetings between NZTA and each PTA will ensure we work together to progress towards the targets. NZTA will work alongside PTAs to review and agree on Year 3 targets by the end of March 2026.

Noted by Minister ☐