



# WORKSHOP AGENDA

**Date:** Monday, 15 June 2026

**Time:** 9.30am - RTC Public Transport Subcommittee

**Location:** Council Chambers

Waikato Regional Council

Level 1, 160 Ward Street, Hamilton

**Workshop Details:**

- Fare Policy Review Workshop

## Order Of Business

<b>1</b>	<b>Karakia Timatanga</b> .....	<b>3</b>
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**1 KARAKIA TIMATANGA**

**Whakataka te hau ki te uru**

**Whakataka te hau ki te tonga**

**Kia mākinakina ki uta**

**Kia mātaratara ki tai**

**E hī ake ana te atakura**

**He tio**

**He Huka**

**He hau hū**

**Tīhei mauri ora!**

**Cease o winds from the west**

**Cease o winds from the south**

**Bring calm breezes over the land**

**Bring calm breezes over the sea**

**And let the red-tipped dawn come**

**With a touch of frost**

**A sharpened air**

**And promise of a glorious day**

**Behold we live**

## 2 WORKSHOP PAPER(S)

### 2.1 FARES POLICY REVIEW

**Rā | Date:** 8 June 2026

**Kaituhi | Author:** Katherine Simpson, Team Leader - Transport Planning

**Kaituku | Authoriser:** Phil King, Director, Regional Transport Connections

#### TE ARONGA | PURPOSE

1. The purpose of this workshop is to seek direction from the Regional Transport Committee (RTC) Public Transport Subcommittee on key policy settings for the Regional Public Transport Plan (RPTP) fare policy review.
2. This workshop is intended to support early direction-setting. Elected Members are being asked to help identify a preferred policy direction, rather than make decisions on detailed fare structures or specific policy settings.
3. This workshop does not seek direction on overall revenue or budget implications. These matters will be considered through the Council's Annual Plan and Long Term Plan (LTP) processes.
4. This workshop forms part of a staged engagement process with elected members to test and refine proposed fare policy options before confirming a preferred direction. Feedback from this session will inform the development of a recommended package of fare policy changes for public consultation and then further consideration through the formal decision-making process.

#### KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

5. Waikato Regional Council is undertaking a review of its public transport fare policies to ensure they remain fit-for-purpose and aligned with national direction, regional priorities, and changing transport outcomes.
6. This workshop is an early engagement step with Elected Members and focuses on building a shared understanding of:
  - (a) The drivers for the fares review
  - (b) The broader legislative and policy framework influencing fare setting
  - (c) Key trade-offs and constraints inherent in fare policy decisions
  - (d) The results of technical analysis and modelling work
  - (e) The main issues and opportunities identified through the review
7. The workshop includes a range of alternative fare policy "packages", which illustrate different approaches and trade-offs, with the focus on policy direction not detailed tariff structures. Elected member input is critical to ensure the proposed approach reflects the subcommittees priorities and provides a clear mandate to proceed.

8. Engagement is being undertaken jointly with the Waikato Regional Council (WRC) Transport Committee to ensure alignment across both governance bodies responsible for RPTP policy direction. While both groups will provide input, formal endorsement of fare policy changes will follow the statutory RPTP process. The WRC Transport Committee workshop was held on the 2<sup>nd</sup> of June.

#### Next Steps

9. Feedback from this workshop, alongside input from the WRC Transport Committee workshop, will be used to confirm a preferred direction for fare policy.
10. A proposed package of fare policy changes will then be developed and presented to the RTC Public Transport Subcommittee for endorsement prior to public consultation (as required under the RPTP).
11. Public consultation will be undertaken as part of an RPTP variation process.
12. Following consultation, a refined and recommended package of fare policy changes will be presented:
  - (a) To the RTC Public Transport Subcommittee for endorsement; and
  - (b) To the WRC Transport Committee for final approval.
13. Subject to approval, the changes will be incorporated into an RPTP variation and progressed toward implementation.

#### **ĀPITI HANGA | ATTACHMENTS**

1. **Fare Policy Review Issues and Options Workshop Slides (Doc # 36276074)** [↓](#)

# WRC Fares Policy Review RTC Public Transport Subcommittee Workshop 15<sup>th</sup> June 2026

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# Purpose of Today's Session

Provide Elected Members with:

- The scope of fares review work and the integration with the wider work programme
- An overview of the national legislative and policy context for the setting of fares and fares policy
- An overview of the issues identified by the technical work for the fares review
- **Seek direction from elected members on the broad policy direction for the fares review.** *Today we are asking you to help us choose a **direction**, not a final fare structure or policy.*
- **Not** seeking a view on the overall revenue / budget implications – That will be dealt with through annual plan / LTP processes.

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# Today's Workshop Agenda

- Drivers for the fares review
- Timescales and project interfaces
- Trade offs and constraints in fare setting
- Overview of the analysis
- Summary of the main issues identified and opportunity for feedback
- Alternative option 'Packages' and trade-offs – presentation and discussion.

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# Timeline Drivers for this review

- **National Ticketing System (Motu Move)**

- Due to be implemented nationwide **by the end of 2027**. Waikato implementation date to be confirmed closer to rollout.
- Completion of the fares review (and adoption) gives the opportunity to have an amended fare system go live with the new ticketing system (but is not required).
- WRC in close contact with the NTS team re technical implementation.

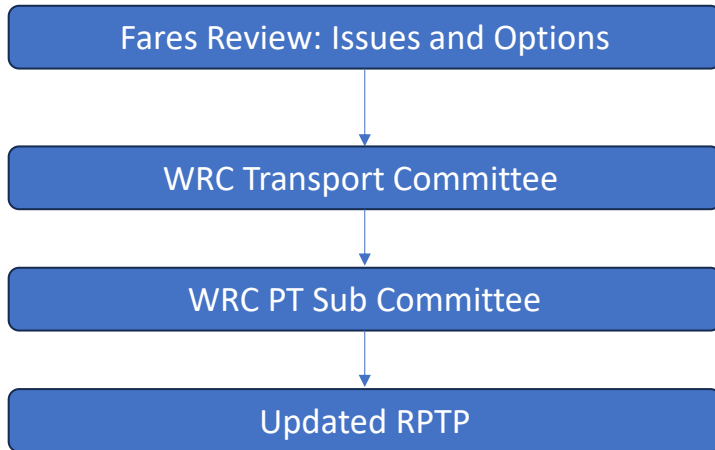
- **Regional Public Transport Plan**

- Reviewing the Fares Policy was an action arising from the 2024-34 Long Term Plan.
- NZTA guidance for RPTPs is that fare structure reviews are undertaken at least every six years.
- The current RPTP was adopted 2022. If a revised fare system were to be implemented a RPTP would need to be varied or reviewed ahead of implementation.

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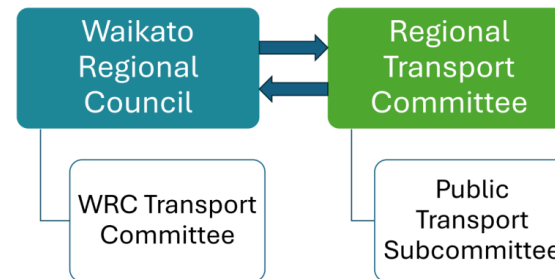
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# Process



Set the direction on the preferred overall fare policy 'mix'

Provide a recommendation on the policy components.



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# Where we are at in the process

- ✓ • Staff Scoping – **June 2025**
- ✓ • **Issues and Options – Oct 2025**
  - **Staff Workshops + 2 Sessions with NTS team**
- ✓ • Financial Modelling – Mar 2026
- ➔ • Elected Member Engagement – June 2026
- Final Reporting – Sep 2026
- Council Endorsement – End of 2026

NTS requirement that Critical Services Review is completed, signed and submitted to NZTA immediately after the council endorsement.

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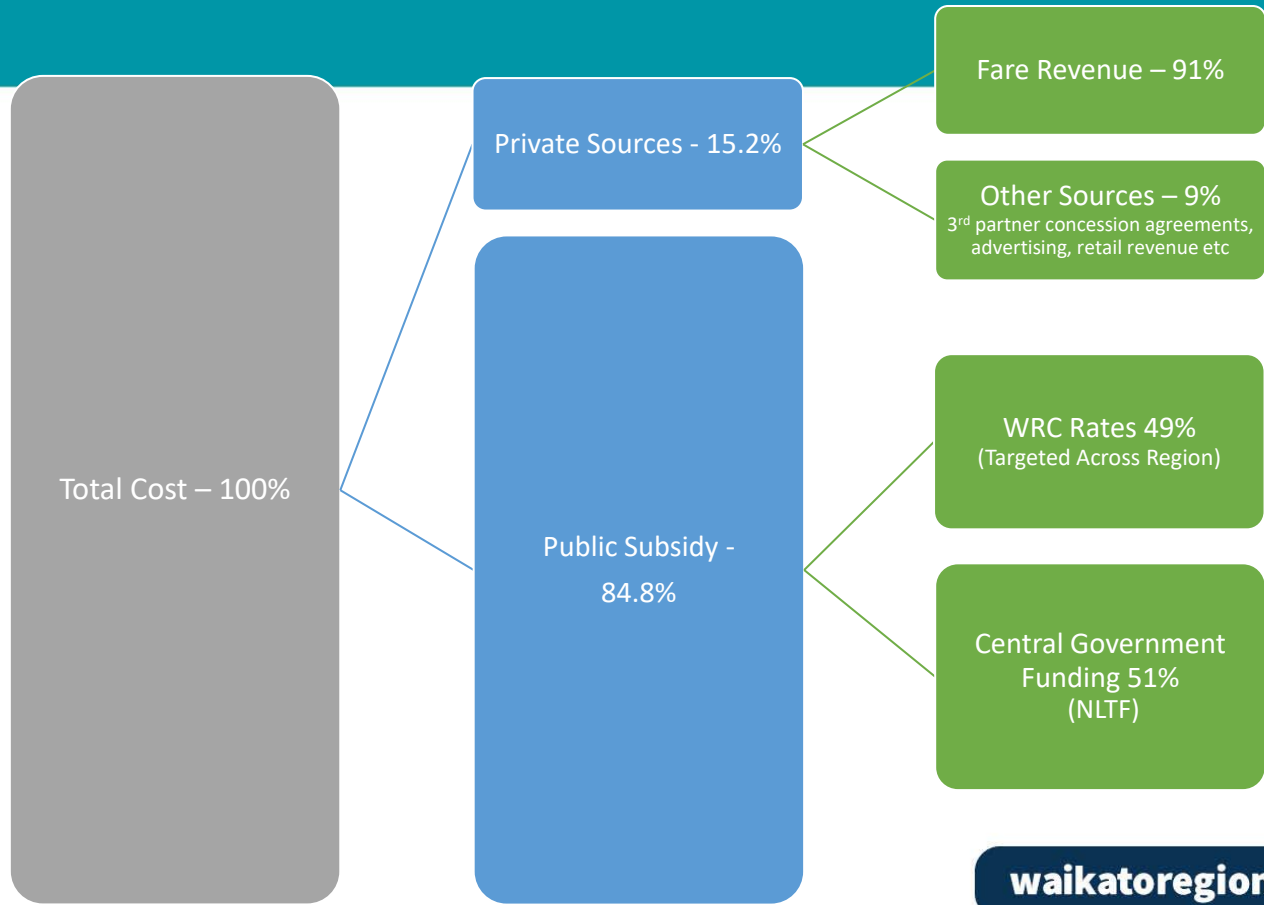
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# Context for Fare Setting

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# Overview of Public Transport Funding

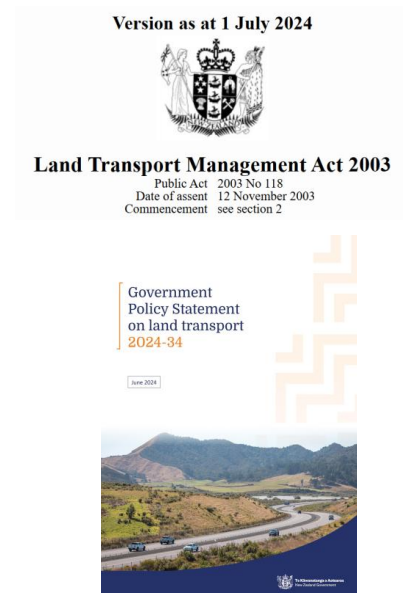


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# Fare setting – National Legislative and Policy Context

- WRC sets fares and fares policy but the LTMA sets out that decisions must be defensible, transparent, and aligned with statutory planning processes (including RPTPs).
- Affordability, mode shift, equity, efficiency and value for money are mandatory considerations under the LTMA when setting fare policy.
- The GPS signals Government expectations for public transport outcomes and funding priorities and the current GPS emphasizes higher farebox (private share) recovery and value for money. GPS reviewed every 3 years (with electoral cycle)
- National concessions (e.g. off peak SuperGold, Community Connect) are funded nationally; any additional concessions are regional policy choices (and are funded regionally)



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# What will change with NTS (Motu Move)?

- Multiple payment options: Customers will be able to pay on vehicle using:
  - Contactless debit/credit cards
  - Mobile wallets (e.g. Apple Pay, Google Pay)
  - Prepaid Motu Move cards
  - Or pre-purchased tickets.
- The system launched in Greater Christchurch in November 2025, introducing contactless payments on buses and ferries.
- Motu Move will be rolled out region-by-region, with full national coverage targeted by the end of 2027.
- Under current RPTP policy cash fares would be phased out in Waikato in favour of being able to pay with any contactless payment card.
- Review concessions to move towards a more consistent approach to concessions nationally.



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# The RPTP

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# RPTPs Scope

## RPTPs set fare objectives and policies.

Includes sections for the framework for fare policies, such as:

- **Principles** for fare (level) setting and review
- **Describing** fare products at a high level (e.g. for children, students, SuperGold, Total Mobility etc)
- **Defining** zone structures or distance-based approaches to charging

The LTMA **does not require RPTPs to:**

- Set exact dollar values for individual fares or lock in prices for the life of the plan
- Describe every fare product in detail



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# RPTP and the Scope of the Fares Review

- The relevant policy elements of this fares review will feed into the next iteration of the RPTP.
- Any changes to matters of current policy (or new policy) will need a new or varied RPTP.
- We are looking for a long-term policy direction for the RPTP as distinct from any short term measures
- But, any opportunities for ‘quick wins’ or adjustments could be implemented sooner (for example adjustments to fare levels).



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# What fare policies does WRC currently have?

- Enshrines *some* national / mandatory schemes in regional policy
- Creates Waikato specific fare products (**Accessibility concession and +1**)
- Deal with the **transition to NTS** (Motu Move) including eliminating cash payments
- Establishes an **integrated zonal fare system**.
- Enables **free transfers (including with rail)**
- Enables **fare capping** (but does not define the level)
- Enable **concession agreements with partner organizations** provided they are fully externally funded.



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# RPTP Objectives

- Objective 1: Deliver public transport services in a way that results in at least net neutral carbon emissions for the period 2025 to 2050.
- Objective 2: Deliver an integrated network of public transport services that enhances accessibility and wellbeing.
- **Objective 3: Provide a fares and ticketing system that is simple, affordable and attracts and retains customers.**
- Objective 4: Provide high quality and intuitive public information.
- Objective 5: Provide the infrastructure and services necessary for an accessible, effective, efficient and enjoyable public transport experience.
- **Objective 6: Provide public transport services that are affordable for passengers and funders.**
- **Objective 7: Develop and maintain partnerships that obtain best value for money in the delivery of transport solutions.**

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# A lot has happened since the last RPTP...

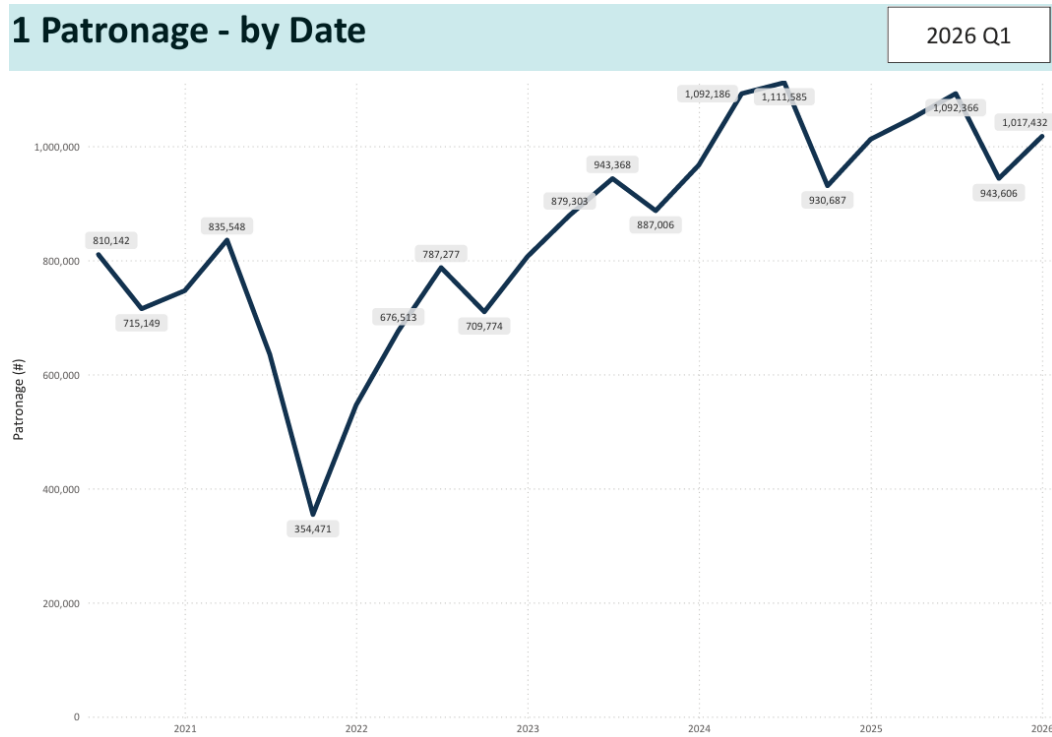
- The cost of delivering the same level of public transport service has increased significantly across New Zealand.
- National concession schemes changed, and then changed again.
- Current government has greater emphasis on cost recovery from PT, specifically that a higher proportion of costs must be met from private share (non-government sources.)
- Waikato fares were in effect frozen during COVID but increased sharply in 2024 and 2025.
- The fare structure for Te Huia has diverged from Bus – (child age difference, Supergold only applies off-peak and decision on 25% fares increases last week)

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# Bus Patronage

1 Patronage - by Date



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# The Review

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# Scope of the Review

- Review all aspects of fares and fares policy
- Ensure alignment with NTS
- Use all available evidence (including tag-on tag-off data) to understand how the system is currently being used
- Financial / demand modelling to understand the impact of decisions of fares policy.

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# Analysis Explored in the Review

- Benchmarking against other PTAs
- Travel analysis for user groups
- Concessions and equity impacts
- Zonal system and geography
- Crowding and capacity
- Modal fares (Te Huia, Flex)
- Time-of-day based optimization

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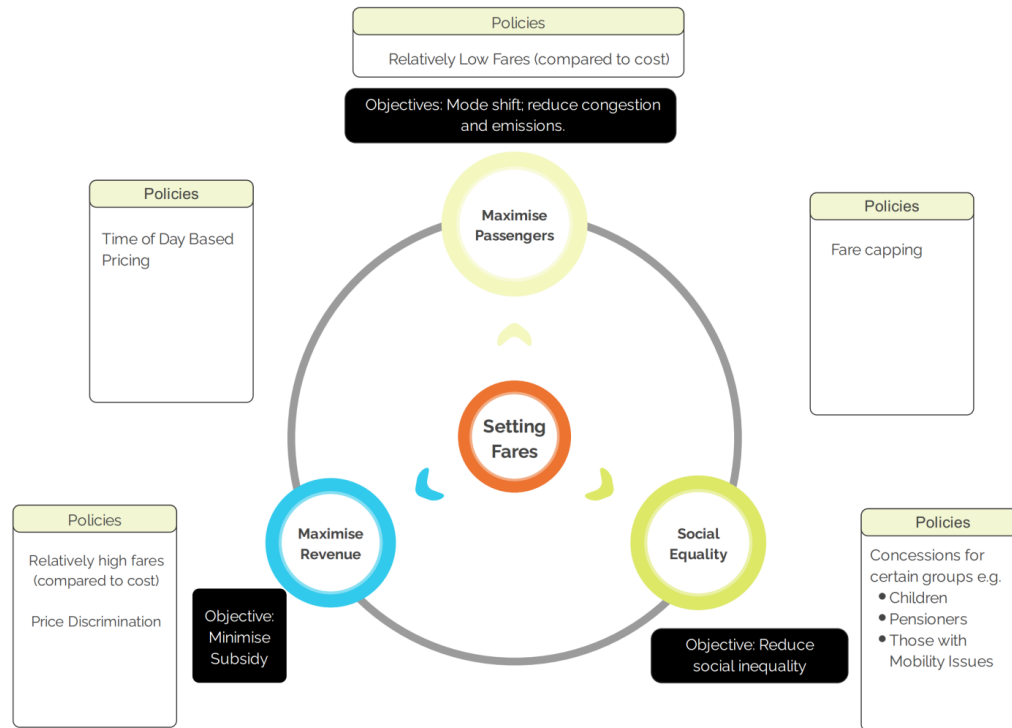
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# Fare Setting Principles

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# Fares policy trade-offs



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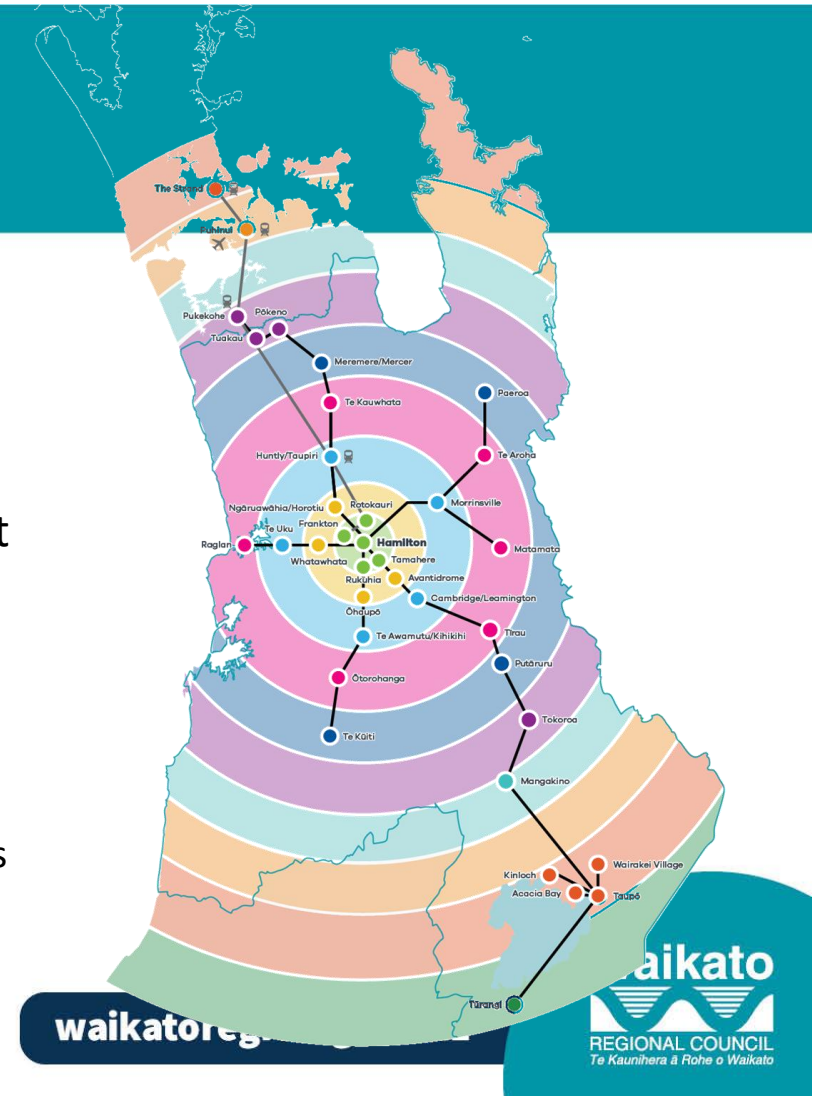
# Evaluation and Issues Identification

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# What is working well?

- 10% of journeys benefited from a free transfer - transfers will become more important as the Waikato transitions to a network of fast frequent direct routes
- Broadly, fares are set proportional to costs with some exceptions (explored later)
- Concession agreements with partners benefit both organisations, and bring additional fare revenue to WRC (~250k per annum from partners, plus fare revenue)



# Areas Identified by the Review to Address

1. Meeting Private Share Revenue Targets

2. Optimisation of the Tariff Structure

3. Concessions and Fare Capping

There are questions at the end of each of these topics to help provoke thought and discussion. You are welcome to provide feedback on these as they arise, or towards the end of the presentation when the alternative policy pathways are presented.

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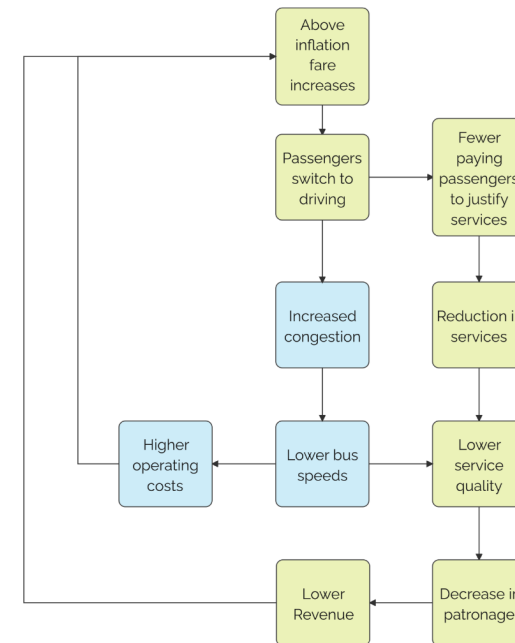
# 1 –Private Share Revenue Targets

There are targets agreed with NZTA for increasing private share revenue. Ministerial and NZTA requirements are that PTAs actively work towards increasing their private share revenue. It is not a *requirement* that PTAs achieve targets so long as they actively doing so.

There is a policy balance which Council can adopt whilst aiming for higher private share revenue - The 'default' position in response to meeting private share targets has generally been blanket fare increases.

Fare increases only affect the portion of users who actually pay for services. The users that pay the most (adults) are the group where demand is most negatively impacted because they have the most exposure to price increases.

Over time (particularly with bus services) there tends to be a negative feedback loop between fares increases, patronage and potentially service levels.



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# 1 – Working Towards Private Share Revenue Targets

	OPEX (\$M)	AGREED TARGET	TARGET REVENUE (\$M)	FARE REVENUE REQ. (\$M)
24/25	49.1	13.3%	6.5	6.2
25/26	50.4	15.6%	7.9	7.4
26/27	50.8	18.4%	9.4	8.9

- The 2025/26 Annual Plan process considered options on how to achieve NZTA's requirement to increase private share and actively work towards doing so.
- Committed fare increases were / are as follows:
  - 2024/25 = 20%
  - 2025/26 = 11.4%
  - 2026/27 = 10% for Bus, 25% for Rail
- WRC exceeded the agreed target in 2024/25 15.2% compared to 13.3%.
- WRC is only required to achieve the private share target, not exceed it so future fare increases may not need to be as high.
- Fare policy decisions will also affect the percentage fares increase.
- Council budget and rates impact considered through LTP and annual plan.

*\*Bus approved by council in February 2026, rail to be considered by council in May 2026.*

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# 1 – Meeting Private Share Revenue Targets

## Questions for Feedback

There are different ways to achieve the same amount of fare revenue depending on how the tariff is structured.

The focus for this session is to get your direction on how the tariff should be *structured* to achieve different outcomes rather than if the fare revenue budget / target needs to be higher or lower.

- How comfortable are you with continuing to rely primarily on uniform fare increases to meet revenue expectations?

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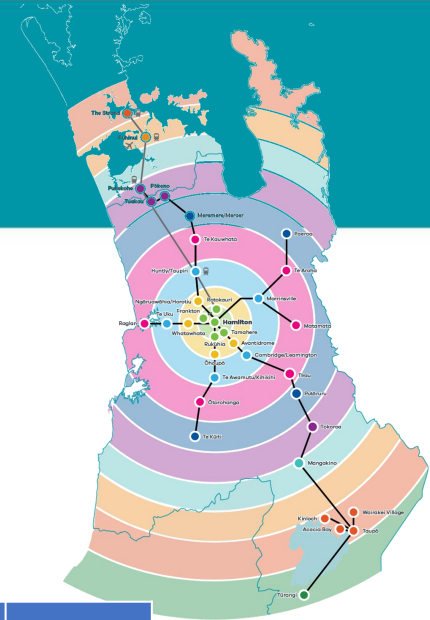
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# 2 - Optimisation of the Tariff Structure

## Setting of Zonal Fare Prices

- There are no principles defined in policy presently for fare setting in the Waikato (e.g. how a two-zone fare is set compared to a one-zone fare?)
- There is evidence that the **price** of travel over some of the current fare table may not be well aligned with time / distance travelled (and therefore the cost of provision).
- Recommendation to establish some **principles** for fare setting across fare zones in the next RPTP which are better aligned to the cost of provision and will help guide annual fare setting.



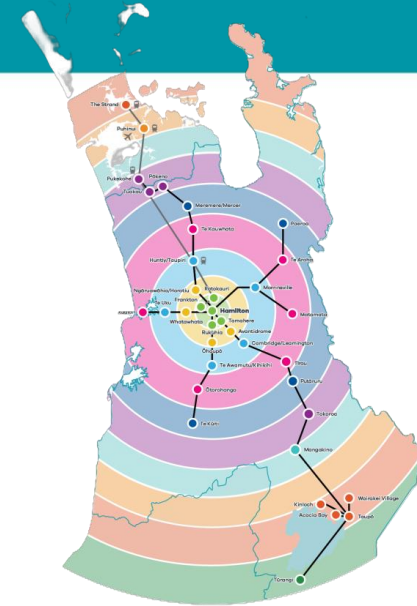
Number of Zones Travelled	Bee Card fare
Central city zone	\$1.34
1	\$2.67
2	\$4.01
3	\$5.35
4	\$6.68
5	\$10.69
6	\$13.37
7	\$16.04
8	\$20.05
9	\$24.06

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## 2 - Optimisation of the Tariff Structure

- Fare zones provide a simpler means of charging than distance or stage based approaches.
- Some of the zones in the Waikato covering the rural area have little or no patronage in or between them, which creates unnecessary complexity.
- Opportunities to simplify the existing fare structure with negligible impact on revenue.
- Equity consideration - in rural areas people need to travel further to access essential services etc. compared to urban areas. Larger zones mean they can travel to where they need to get to for a comparable cost.



Proportion of Single Zone Trips By Zone

Zone 1	95.8%
Zone 2	0.1%
Zone 3	1.2%
Zone 4	0.1%
Zone 5	0.0%
Zone 6	1.9%
Zone 7	0.0%
Zone 8	0.0%
Zone 9	0.9%
Zone 10	0.0%

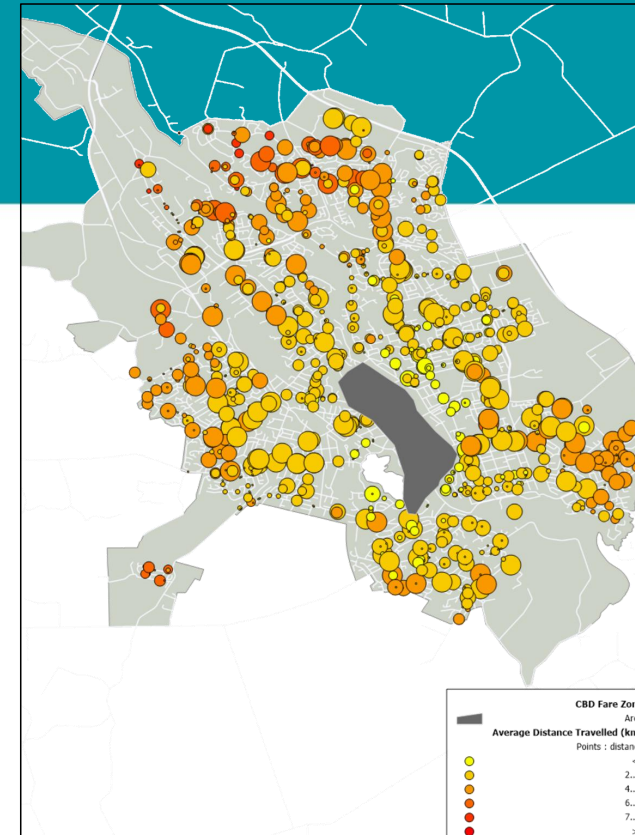
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## 2 - Hamilton Zones

- Conversely in Hamilton which has nearly 80% of patronage on the network, there is little differentiation in fares.
- Pay as much for a journey to the CBD from Rototuna as from Fairfield - despite the journey being many times longer.
- The current CBD fare zone is very small - many journeys would have been walkable, or a concession may have otherwise have covered the cost.
- Potential to look at an alternative, larger Hamilton 'inner' and 'outer' zone which would need to be further developed.



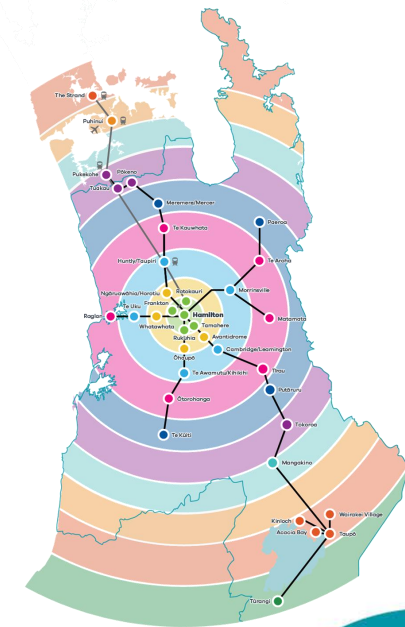
## 2 – Modal Fares

### Modal Fares – Te Huia

**Te Huia**  
Connecting Waikato & Auckland

- Although there is little overlap between bus and rail services presently, rail was charged in the same fare table as buses\* (but due to May 2026 Council resolution will no longer be)
- Councillors asked WRC to review the Te Huia fare structure with a report to the May council meeting – Council opted for a 25% fare increase for rail.
- Rail offers higher quality than bus - Trade-off between a less complex fare structure and reflecting the 'value' of rail
- Significant work was done via the Te Huia Independent Review in mid-2024. This included a comprehensive comparison to Capital Connection. Some adjustments to concessions were made following this review.
- Te Huia is mostly inter-regional - different markets - so an integrated fares structure is not essential.
- Different Te Huia tariff structure makes rail / bus transfers technically less feasible due to the increased complexity of the tariff.

\* An adjustment was made to the fare zone of the Pukekohe Station to be more reflective of Auckland Metro pricing.



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## 2 – Modal Fares

- On-demand a 'premium product' (in certain circumstances) – booked time of travel, corner to corner transport.
- Night Flex currently services a distinct market - little overlap with times of operation for the bus network.
- Night Flex partly competes with the taxi market where fares are significantly higher but need to also consider original intent of providing a night public transport service – safe and affordable means of getting home.
- For Night Flex there is a case for fares which are higher than urban bus, (but still would remain affordable).
- Suggest staged approach, but significant price increases and to monitor demand accordingly.
- In the future if on-demand overlaps with existing services (time, geography) it is good practice for on-demand fares on those services to be *aligned* to bus to provide consistency (feeders, transfers etc).



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## 2 - Optimisation of the Tariff Structure



### Time of Day Based Optimisation

- Charging higher fares during peak times compared to off-peak can increase revenue with proportionately lower loss in passengers compared to blanket fare increases.
- A higher proportion of passengers already pay fares during peak periods
- People's responses to pricing at different times mean that **lower fares during off-peak times (weekends, public holidays) can attract proportionately more new users at a lower revenue cost.**
- Peak / off peak pricing adds complexity to the fare system — not recommended alongside fare capping.
- Lower off – peak fares can benefit those not travelling at the busiest times which can help shift workers etc.

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## 2 – Tariff Structure

### Questions for Feedback

- Do you agree with having a policy position to set out how travel between zones fares should be charged which is related to the cost of provision?
- Do you support simplifying the current zonal structure, particularly in low-use rural areas?
- Would you support changes that introduce greater fare differentiation within Hamilton if this improves revenue at the expense of simplicity?
- Do you support having tailored Te Huia fares to support revenue development on that service (which do not necessarily have a free transfer with bus services?)

#### Summary of WRC Transport Committee Positions

- Generally supportive of inclusion of principles to be defined in Policy to define how interzonal fares are charged.
- Generally supportive of some simplification of the zonal fares in rural areas.
- Generally **un**supportive of inner / outer zone for Hamilton.
- Supportive of proposed approach for Flex – with higher fares for the Night Flex.
- Te Huia fares differentiation superseded by Recent Council Decision to increase Te Huia fares by 25%.
- Mixed views expressed on peak / off peak pricing: that this was an unnecessary complication vs that this more commercial approach was needed.

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## 3 – Concessions and Fare Capping

- WRC has schemes over and above the default national concessionary fare schemes:
  - Accessibility Concession (and plus one)
  - Free travel for Supergold card Holders in peak periods (bus only)
  - Fare capping for Youth and Adults.
- Concessions which depart from the national norm generally need to be locally funded,
- Waikato does not align with the prevailing national approach compared to other councils:
  - Waikato is unique in having a Youth fare capping product instead of flat rate discount
  - Peak Supergold discount is inconsistent with the prevailing regional tariff structure. It is also currently available on buses but not rail.

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# 3 – Usage by user group

	Unique Cards	Journeys	Journeys Per Active Card	Average Time per Journey (minutes)	Average Distance Per Journey (km)
Adult	49,910	1,228,254	24.6	26	8.3
Youth	14,823	783,926	52.9	31	8.8
Supergold OffPeak	12,718	420,634	33.1	21	8.2
Supergold Peak	6,868	86,736	12.6	33	11.8
Community Connect	5,041	220,482	43.7	28	8.3
Partner	4,259	255,977	60.1	25	7.4
Child	3,836	139,597	36.4	24	5.9
Accessibility	2,616	300,654	114.9	28	5.3

\* Shows Bee Card tag-on tag-off journeys only

## Youth Travel Patterns

Youth under 18 make about a third of peak trips, but only 10% during off-peak and weekends.

## Supergold Card Usage

Supergold card holders account for about 5% of journeys during peak travel periods.

## Accessibility Concession Usage

The proportion of Accessibility concession trips is over 10% in off-peak times (but lower during weekday peaks.)

## 3 - Fare Capping vs Lower Fares

- **Currently Adults Pay for a maximum of 9 Journeys per week, and Youth 6.5 journeys per week.**
- **Only 12.6% youth journeys are currently 'capped', and only 4% of adult journeys.**
- Capping gives certainty to users. It helps with budgeting and may encourage discretionary trips (e.g. weekends are free if travel during the week)
- Setting the 'cap' *level* can be problematic.
- It disadvantages part time students and workers – it only applies to those who make the most trips. E.g. If you work or study 3 days per week you wont meet the cap.
- Lower fares share the same benefit amongst everyone, not just the most frequent users.

### Youth Fare

- Because the concession affects only a relatively small number of youth journeys it is not costing substantial revenue -
- This is compared to adopting a flat rate % youth concession option at 25% or 50% but would cost more but which would provide wider benefits to less frequent users.

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## 3 - Accessibility Concession

- Accessibility concession provides free travel to those who are Waikato residents and have “an impairment which means they are unable to drive.”
- Disabled people have the option of a ‘Plus One’ concession - allows a companion to accompany them for free if they need assistance.
- Despite being only 3% of active Bee Card holders, Accessibility concession holders make 8.5% of all PT journeys.
- Introduced 2019, Policy (P38) of the RPTP - but objectives of the concession are not clearly defined.
- International evidence that where implemented, free fares schemes such as the accessibility concession can support well-being.
- Review by MR Cagney found evidence of the concession supporting these types of journeys.

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## 3 - Estimated Cost of Concessions

Concession	Indicative Maximum Cost of Revenue Foregone
Peak Period Supergold Concession	\$155,000
Accessibility Concession	\$360,000
Fare Capping Adults	\$150,000
Fare Capping Youth	\$290,000
<b>Total</b>	<b>\$955,000</b>

The total revenue foregone cost of non-national / or mandatory concessions is estimated to be nearly **\$1m** – which is **equivalent to at least a 10% fare cut/increase**.

Figures are presented here to illustrate the trade-offs.

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# Issue 4 – Concessions

## Questions for Feedback

Note that the nature and extent, and trade-offs of concessions will be discussed and explored through the option packages.

- Do we have the right scope for our local concession products? What do we need to do less, or more of?
- Is the pricing approach right for locally initiated concessions or are other options worth exploring?
- Is fare capping still the right tool given changing travel patterns, or could lower fares be shared more evenly across all users?

WRC Transport Committee feedback:

- Supportive of retaining Accessibility concession
- Generally unsupportive of continuing the Peak Supergold Concession
- No strong view or further information requested on the approach to concession pricing and capping vs flat rate discounts but:
- Supportive of a move towards better national consistency.

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# Potential Policy Directions for the Review

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# Potential Policy Directions

An optioneering process has been undertaken to respond to the issues.

The options have been combined into **3 themed packages** which are designed to explore trade-offs to help discuss the different policy directions. Comparing policies at a package level helps compare trade-offs between:

- **Implementation complexity**
- **Fare levels**
- **Patronage impacts**




**Today we are asking you to help us choose a direction, not a final tariff or fare structure. Your feedback today directly determines the direction which is worked up in detail next.**

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# Packages

The packages explore the trade offs between equity (demographic and geographic), patronage and complexity. For all of the packages **the total amount of revenue raised is a fixed constraint**, with overall fare levels being variable accordingly.

Equity Package 	Customer Emphasis Package 	Optimization Package 
A focus on maintaining a higher level of equity (concession products) with some optimization.	A balanced focus on emphasising patronage through new and repeat customers, and simple, easy to calculate fares.  Retains some simplified concessions.	Emphasises patronage growth through price differentiation.  Potentially a more complex tariff structure.  Reduced scope of concession products.

+ tariff and policy elements common to all packages

### RPTP Objective Alignment

- Objective 3: Provide a fares and ticketing system that is simple, affordable and attracts and retains customers.
- Objective 6: Provide public transport services that are affordable for passengers and funders.
- Objective 7: Develop and maintain partnerships that obtain best value for money in the delivery of transport solutions.

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# Equity Package



## Priorities

- Maintains a strong focus on equity and affordability for certain groups.
- Retains more concession products, removing fare capping for youth in favor of a % discount.

## Winners

- Concession users, particularly accessibility card holders and younger passengers.
- Groups for whom certainty and protection from higher fares is a priority.
- Most Students / Youth will pay less as a concession compared to fare capping depending on existing usage.

## Losers

- Non-concession adult passengers, who pay higher average fares to offset concessions.
- (Very) frequent users who currently benefit from fare capping.

## Key trade-off

- Higher equity comes at the cost of higher fares for others and less flexibility to optimise revenue or patronage growth.
- Fairly simple for users, but no ability to target fares to when and how people travel.

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# Customer Emphasis Package



## Priorities

- Balances simplicity and equity.
- Retains some concessions but simplifies the overall fare structure.
- Retains fare capping at lower levels for predictability of travel costs

## Winners

- Customers who value simpler more predictable fares and travel frequently.
- Daily bus users (especially commuters)

## Losers

- Some concession groups receive reduced support compared to the Equity package.
- Part-time workers and students don't benefit from fare capping.

## Key trade-off

- Seeks a middle ground: moderate equity support without excessive complexity.
- Does not maximise either patronage growth or equity outcomes.

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# Optimisation Package



## Priorities

- Uses price differentiation (e.g. peak vs off-peak) to grow patronage and improve value for money.
- Removes Capping and reduces scope of concession products.

## Winners

- Off-peak travellers, part-time workers, shift workers, and discretionary users.
- People who can travel flexibly and respond to lower off-peak prices.
- The system overall, through stronger patronage growth per dollar of revenue.

## Losers

- Peak-period commuters, especially those travelling frequently at busy times.
- Concession users who currently have free fares will pay for travelling at the busiest times but benefit from a substantial discount at off-peak times

## Key trade-off

- The strongest patronage and revenue optimisation outcomes, but (slightly) more complex fares.
- Less explicit equity support; affordability is addressed through time of travel rather than concessions.

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Theme	Group	Do Minimum	Equity	Customer Emphasis	Optimisation
Private Share Revenue		\$9.5	\$9.5m	\$9.5m	\$9.5m
Average Fare		Min fare increases to meet private revenue targets with existing fare structure	-\$0.07 to -\$0.11	Up to +\$0.03	-\$0.12 to -\$0.13
Patronage per year		/	+113,000 to +142,000	-37,000 to -77,000	+183,000 to +193,000
Concessions and Fare Capping	Accessibility	Same as Existing (100% discount)	Same as existing (100% discount)	50-75% discount (all day)	50-75% discount off-peak only
	Supergold	Off-peak Supergold discount only (to align with rail and national approach)			
	Youth	Capping @ 6.5 journeys / week	25-50% discount, no fare capping.	Capping at 6.5x journeys / week	No fare capping or discount
	Adult Cap	Capping @ 9 journeys / week	No fare capping	Capping at 7.5 – 8.0 journeys / week	
Time of Travel		No change	No	No	Off peak fares 25-50% discount vs peak.
Fare Zones		No change	Simplification of Rural Zones	Simplification of Rural Zones + Remove CBD Zone	Simplification of Rural Zones + Replace CBD Zone with Hamilton 'Inner' Zone
Zonal Fares		Same as Existing	Recalibrate bus fare table based on time travelled Separate Te Huia fare structure		
Modal Fares	On Demand	No change	Align with Zonal Fares for feeder services or those which overlap in time and place serviced. Premium fares for products which sit outside of the scope of normal fixed route services (i.e. Night Flex)		
	Rail	No change (+25% not modelled)	A Te Huia Tariff with higher fares including investigating Advanced Booking Te Huia Fares, group tickets and other products to optimise revenue and patronage. No rail – bus transfers.		

# User Cost Impacts

For illustration the figures show the estimated monthly spend for various users across the packages.



### HESITANT HARRY

AGE: 41  
OCCUPATION: Engineer  
LOCATION: Hamilton City  
TRAVEL FREQUENCY: Daily, commutes to city center from home  
MODES OF TRANSPORT: Car, Uber  
MOTIVATORS: Reliability, accessibility, awareness, frequency, frequency  
"Why would I?"

#### Estimated Monthly Travel Costs

Current Fares Structure	\$140
Equity	\$145 - \$160
Customer	\$105 - \$107
Optimisation	\$139 - \$140



### FIRST TIME FIONA

AGE: 40  
OCCUPATION: Works part time in retail  
LOCATION: Hamilton East  
TRAVEL FREQUENCY: Daily, weekly, event (occasional public transport)  
PRIMARY MODE OF TRANSPORT: Car  
MOTIVATORS: Safety, affordability, awareness, reliability, frequency  
"It all feels a bit hard, I don't even know where to start"

#### Estimated Monthly Travel Costs

Current Fares Structure	\$70
Equity	\$87 - \$96
Customer	\$80 - \$84
Optimisation	\$63 - \$63



### DABBLING DAVE

AGE: 55  
OCCUPATION: Manufacturing Manager  
LOCATION: Taupo  
TRAVEL FREQUENCY: Daily, commutes to work (owns vehicle but infrequently uses car)  
MODES OF TRANSPORT: Car, bus, train  
MOTIVATORS: Reliability, location  
"I never know when the next bus is or where to catch it."

#### Estimated Monthly Travel Costs

Current Fares Structure	\$140
Equity	\$145 - \$160
Customer	\$105 - \$107
Optimisation	\$139 - \$140



### VULNERABLE VINNY

AGE: 80  
OCCUPATION: Unemployed  
LOCATION: Hamilton Central  
TRAVEL FREQUENCY: 4-5 times a week  
MODES OF TRANSPORT: Bus  
MOTIVATORS: Safety, accessibility, affordability  
"I like the bus but the bus doesn't like me"

#### Estimated Monthly Travel Costs

Current Fares Structure	\$0
Equity	\$0 - \$0
Customer	\$14 - \$27
Optimisation	\$14 - \$27



### GOLDEN GLORIA

AGE: 80  
OCCUPATION: Retired nurse  
LOCATION: Hamilton  
TRAVEL FREQUENCY: Weekly bus user  
MODES OF TRANSPORT: Bus, train no longer drives  
MOTIVATORS: Affordability, accessibility, frequency, comfortable, safety  
"It's important to get out, especially in winter, when it could be too easy to sit at home on my own"

#### Estimated Monthly Travel Costs

Current Fares Structure	\$0
Equity	\$0 - \$0
Customer	\$0 - \$0
Optimisation	\$0 - \$0



### SHIFTWORKER STEVE

AGE: 26  
OCCUPATION: Electrician Apprentice on large construction project  
LOCATION: Ngaurunui  
TRAVEL FREQUENCY: Daily  
MODES OF TRANSPORT: Bus  
MOTIVATORS: Accessibility, frequency, affordability  
"It sucks relying on the bus but parking is too expensive"

#### Estimated Monthly Travel Costs

Current Fares Structure	\$140
Equity	\$145 - \$160
Customer	\$105 - \$107
Optimisation	\$160 - \$162



### STUDIOUS SAM

AGE: 15  
OCCUPATION: High school student with part time job at supermarket  
LOCATION: Hamilton  
TRAVEL FREQUENCY: Daily  
MODES OF TRANSPORT: Bus  
MOTIVATORS: Reliability, affordability, safety  
"I catch the bus with my mates so there can be a lot of us"

#### Estimated Monthly Travel Costs

Current Fares Structure	\$101
Equity	\$80 - \$109
Customer	\$87 - \$91
Optimisation	\$160 - \$162



### CORPORATE CHLOE

AGE: 32  
OCCUPATION: Accountant  
LOCATION: Outskirts of Hamilton  
TRAVEL FREQUENCY: Daily  
MODES OF TRANSPORT: Bus  
MOTIVATORS: Safety, affordability, awareness, reliability, frequency  
"I just need the bus to be on time, every time."

#### Estimated Monthly Travel Costs




Current Fares Structure	\$140
Equity	\$145 - \$160
Customer	\$105 - \$107
Optimisation	\$160 - \$162

- Part time / shift workers such as Fiona and Steve do better where there is no fare capping whereas those that travel 5 days per week in the peaks do better with fare capping.

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# Feedback

Equity Package 	Customer Emphasis Package 	Optimization Package 
<p>A focus on maintaining a higher level of equity (concession products) with some optimization.</p>	<p>A balanced focus on emphasising patronage through new and repeat customers, and simple, easy to calculate fares.</p> <p>Retains some simplified concessions.</p>	<p>Emphasises patronage growth through price differentiation.</p> <p>Potentially a more complex tariff structure.</p> <p>Reduced scope of concession products.</p>

## Questions

- What is the preferred general direction / package or would the preferred package blend certain elements?
- Is there anything within each package you would like to change?
- Is there element of the review you would like to see before making final decisions?

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### 3 KARAKIA WHAKAMUTUNGA

Unuhia, unuhia

Unuhia mai te uru tapu nui

kia wātea, kia māmā,

te ngākau, te tinana, te hinengaro,

i te ara takatū

Koia rā e Rongo

e whakairia ake ki runga

kia tina! TINA!

Haumi ē, hui ē, TĀIKI ē!

Draw on, draw on,

Draw on to the supreme sacredness

To clear, to free

our heart, body and soul

Our pathway prepared

Lo, there is peace

suspended high above

manifest!

draw together!

Affirm!