

13 November 2019

Hugh Davenport
fyi-request-11282-79fc5e7e@requests.fyi.org.nz

REF: OIA-5863

Dear Hugh

Request made under the Official Information Act 1982

Thank you for your email of 24 September 2019 requesting the following information under the Official Information Act 1982 (the Act):

- a) *'The exact yearly figure that NZTA is contributing for the Waikato bus drivers*
- b) *How many years that NZTA will be contributing*
- c) *How are any increases or decreases to that amount decided*
- d) *How is the money distributed (ie, does NZTA pay Go Bus Limited directly, or is there an escrow)*
- e) *All correspondence with Go Bus Limited in regards to the bus driver pay dispute.*
- f) *All correspondence with Waikato Regional Council in regards to the bus driver pay dispute*
- g) *For all other private bus companies in New Zealand that NZTA contributes funds to, the amount of money that NZTA is contributing for the purpose of increasing driver pay rates*
- h) *For all other public transport organisations (for example, Auckland Transport, Metlink/Greater Wellington Regional Council) that NZTA contributes funds to, the amount of money that NZTA is contributing for the purpose of increasing driver pay rates*
- i) *For all bus driver union organisations in New Zealand that NZTA contributes funds to, the amount of money that NZTA is contributing for the purpose of increasing driver pay rates*
- j) *For all private bus companies, public transport organisations, or bus driver union organisations in New Zealand, all correspondence between NZTA and that organisation in regards to driver pay disputes.*
- k) *Information on any upcoming pay dispute settlements involving NZTA around New Zealand*
- l) *Further, I would like to request information on any upcoming pay dispute settlements involving NZTA around New Zealand.*
- m) *Finally, if there are no other organisations that NZTA are providing funds to, or in the planning process of providing funds to, then I would like to request a bit of information on how NZTA is providing the entire country with value with this agreement with First Union and/or Waikato Regional Council and/or Go Bus Limited.'*

Your questions have been set out and addressed below.

Requests (a) to (d) and (g) and (i)

- a) *The exact yearly figure that NZTA is contributing for the Waikato bus drivers*
- b) *How many years that NZTA will be contributing*
- c) *How are any increases or decreases to that amount decided*
- d) *How is the money distributed (ie, does NZTA pay Go Bus Limited directly, or is there an escrow)*
- g) *For all other private bus companies in New Zealand that NZTA contributes funds to, the amount of money that NZTA is contributing for the purpose of increasing driver pay rates*
- h) *For all other public transport organisations (for example, Auckland Transport, Metlink/Greater Wellington Regional Council) that NZTA contributes funds to, the amount of money that NZTA is contributing for the purpose of increasing driver pay rates*
- i) *For all bus driver union organisations in New Zealand that NZTA contributes funds to, the amount of money that NZTA is contributing for the purpose of increasing driver pay rates*

For the reasons set out below, the NZ Transport Agency does not directly fund (or contribute to) the individual costs of providing public transport (like driver wages or fuel costs), rather it funds public transport programmes that are prepared by regional councils. The setting of driver wages, including determining wage increases/decreases is the responsibility of bus companies contracted by regional councils to provide public transport services.

As the Transport Agency does not directly contribute to the pay of bus drivers, the Transport Agency does not hold the information requested in questions (a) to (d) and (g) to (i). I am therefore refusing this part of your request under section 18(g) of the Act: because the information requested is not held by the department or Minister of the Crown or organisation and the person dealing with the request has no grounds for believing that the information is either—

- (i) held by another department or Minister of the Crown or organisation, or by a local authority; or
- (ii) connected more closely with the functions of another department or Minister of the Crown or organisation or of a local authority.

For your information, the Transport Agency received a formal request from the Waikato Regional Council (WRC) for an increase in funding. In response to this, the Transport Agency approved (in September 2019) an increased contribution from the National Land Transport Fund (NLTF) (\$745,505) towards the WRC's 2018-21 Public Transport Programme. The funding is for the 2019/20 (\$369,750) and 2020/21 (\$375,755) financial years.

The WRC requested the additional funding to enable it to address a decline in the reliability of public transport services in the region (for example trips being cancelled at the last moment), which was discouraging people from using public transport. The WRC advised that the major cause of declining reliability was due to challenges around recruiting and retaining enough drivers to deliver the timetabled public transport services.

The Transport Agency's expectation is that with the additional funding WRC will address service reliability issues – in this instance having enough drivers to deliver services - to make public transport an attractive travel option. The WRC has determined the best way to do this is to enter into, and fund, changes to its existing contractual arrangements with Go Bus, the main supplier of public transport services in Waikato.

The WRC has advised that since funding was approved (by the Transport Agency) service reliability has improved.

The following section explains at a high level the Transport Agency's role in relation to public transport, and how it allocates NLTFs towards councils' costs of providing public transport.

Overview of roles in relation to the provision of public transport

The Transport Agency's role under the Land Transport Management Act 2003 is to enable the provision of public transport services through its investment role. The role of regional councils, including Auckland Transport, is to design, procure and deliver public transport services.

The role of bus companies is to deliver public transport services under the contract it has with the relevant regional council/s. One of the contractual responsibilities of bus companies is to secure the necessary drivers required to deliver the services agreed with councils. This includes setting and agreeing with drivers the terms and conditions of employment.

How the Transport Agency invests in regional councils' public transport programmes

The Transport Agency invests in regional public transport services through investing in public transport programmes developed and co-funded with regional councils and fare revenue. Operational costs of providing public transport services are bulk funded by mode (bus, rail and ferry).

Investment in regional councils' public transport programmes is reviewed on a triennial basis as part of the wider land transport investment programme. This process commences when the Government releases the Government Policy Statement on Land Transport - which sets out the Government's strategic direction and priorities for land transport investment, it also sets the high-level funding allocations for different land transport activities like road construction, road maintenance, and provision of public transport services.

Through Regional Land Transport Plans, regional councils submit updated public transport programme budgets for the subsequent three-year period. The Transport Agency uses its Investment Assessment Framework to assess programmes. The Transport Agency considers several matters when assessing programmes - from contribution towards the Government's strategic priorities through to impact of inflation on programme costs. Our Investment Assessment Framework for the 2018-21 National Land Transport Programme is available online here: <https://www.nzta.govt.nz/assets/planning-and-investment/nltp/IAF-for-GPS-2018.pdf>

All regional councils are required to maintain land transport disbursement accounts into which NLTF monies are paid. The Transport Agency does not disburse any funds to suppliers contracted by regional councils to provide public transport services.

The Transport Agency also requires that public transport service contracts be subject to indexation. For bus services the Transport Agency has produced a bus indexation tool which is to be applied to bus contracts on a quarterly basis. The bus index shares the risk of inflation with bus operators. Details on the bus index can be found on the Transport Agency's website here: <https://www.nzta.govt.nz/resources/bus-ferry-cost-indexation/>

More details on the Transport Agency's role in the provision of public transport is available on the Transport Agency's website here:

<https://www.nzta.govt.nz/walking-cycling-and-public-transport/public-transport/planning-and-investing-in-public-transport/>

Request (e) - All correspondence with Go Bus Limited in regards to the bus driver pay dispute

The Transport Agency has had no correspondence with Go Bus Limited regarding the bus driver pay dispute in Waikato.

This part of your request is therefore being refused under section 18(g) of the Act because the information requested is not held by the department or Minister of the Crown or organisation and the person dealing with the request has no grounds for believing that the information is either—

- (iii) held by another department or Minister of the Crown or organisation, or by a local authority; or
- (ii) connected more closely with the functions of another department or Minister of the Crown or organisation or of a local authority.

Request (f) - All correspondence with Waikato Regional Council in regards to the bus driver pay dispute

The document schedule appended to this letter contains a list of the documents that fall within the scope of your request. Please send your email address to official.correspondence@nzta.govt.nz so that we can share these documents with you via OneDrive.

Certain information has been withheld, where it is necessary to do so under the following sections of the Act:

- section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons;
- section (9)(2)(b)(ii) – to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;
- section 9(2)(ba)(i) – protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied;
- section 9(2)(g)(i) maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any department or organisation in the course of their duty.

I do not consider that it is in the public interest to make the information that has been withheld available.

Request (j) - For all private bus companies, public transport organisations, or bus driver union organisations in New Zealand, all correspondence between NZTA and that organisation in regards to driver pay disputes

Other than the WRC, the Transport Agency has not corresponded with private bus companies, public transport organisations, or bus driver union organisations regarding any other driver pay disputes.

The Transport Agency does not hold the information requested under (e), and therefore I am refusing this part of your request under section 18(f) of the Act: on the grounds that the information requested is not held by the Transport Agency.

Request (k) Information on any upcoming pay dispute settlements involving NZTA around New Zealand

The Transport Agency is not involved in any upcoming pay dispute settlements around New Zealand.

Request (l) Further, I would like to request information on any upcoming pay dispute settlements involving NZTA around New Zealand

The Transport Agency is not involved in any upcoming pay dispute settlements around New Zealand.

Request (m) Finally, if there are no other organisations that NZTA are providing funds to, or in the planning process of providing funds to, then I would like to request a bit of information on how NZTA is providing the entire country with value with this agreement with First Union and/or Waikato Regional Council and/or Go Bus Limited.

In 2018/19 approximately \$875 million was spent on the provision of public transport services (bus, rail and ferry services) across New Zealand. Of this approximately \$579 million was spent on bus services. The following table provides a break-down of bus operational costs and how these are funded for the last two financial years.

	2017/18 (\$000)		2018/19 (\$000)	
	National	Waikato	National	Waikato
Fares	208,817	5,826	202,716	5,941
Rates (local)	156,170	7,079	172,313	7,178
National Land Transport Fund	162,759	7,367	179,723	7,471
SuperGold Contribution	21,327	835	24,489	838
Total Expenditure	549,073	21,107	579,241	21,428

Government subsidies public transport for a range of reasons including:

- making the best use of existing transport networks before investing in new infrastructure
- contributing to liveable cities that support access to social and economic opportunities for all New Zealanders, some of whom do not have ready access to a private vehicle
- improving safety outcomes
- reducing emissions and the impact of transport on the environment.

In order for public transport to successfully deliver these benefits to the public, people need to be using public transport in the first place, therefore public transport needs to be an attractive travel option. Declining public transport service reliability is discouraging people from using public transport in Waikato – which undermines the benefits sought through the Government’s investment in public transport and reduces overall value for money.

Another concern is that declining patronage would result in a decline in fare revenue, which is a major funding source for the provision of public transport.

Thank you for taking the time to share your concerns with us on this matter. We hope this letter has provided you with some useful information regarding the relationship between the Transport Agency, regional councils, and the provision of public transport.

Under section 28 of the Act, you have the right to ask the Ombudsman to review my decision to refuse and withhold aspects of your request. The contact details for the Ombudsman can be located at www.ombudsman.parliament.nz

If you would like to discuss this reply with the Transport Agency, please contact Ian Stuart, Principal Advisor, by email to ian.stuart@nzta.govt.nz or by phone on (04) 890 4747.

Yours sincerely



Barbara Tebbs
Senior Manager Transport System Policy

Appendix 1: Document schedule

OIA-5863 document schedule

Ref.	Document name
1.	Attachment 1 – Friday 18 November 2018 9.32am
2.	Attachment 2 – attached to the above email of Friday 18 November 2018 9:32am
3.	Attachment 3 – Email of 27 November 2018, 11:20am.
4.	Attachment 4 – Email of Tuesday 27 November 2018, 4.44pm
5.	Attachment 5 – email of 29 November 2018, 5:27pm
6.	Attachment 6 – attached to attachment 5 email of 29 November 2018, 5.27pm WITHHELD IN FULL UNDER s9(2)(g)(i)
7.	Attachment 7 – slide doc attached to attachment 5 email of 29 November 2018
8.	Attachment 8 – email of 1 December 2018, 11.43am
9.	Attachment 9 – attached to the above email of 1 December 2018, 11:43 WITHHELD IN FULL UNDER S9(2)(g)(i)
10.	Attachment 10 – Email of 3 December 8:21am
11.	Attachment 11 – Email of 3 December 2018, 8.30am
12.	Attachment 12 – attached to attachment 11, email of 3 December 2018am WITHHELD IN FULL UNDER s9(2)(g)(i)
13.	Attachment 13 – Email of 10 December 2018, 10.47am WITHHELD IN FULL UNDER s9(2)(g)(i)
14.	Attachment 14 – Email of Wednesday 12 December 2018, 1:54pm
15.	Attachment 15 -attached to attachment 14 email of Wednesday 12 December 2018, 1:54pm WITHHELD IN FULL UNDER s9(2)(g)(i)
16.	Attachment 16 – Email of Tuesday 29 January 2019, 9:32am.
17.	Attachment 17 – Email of Monday 3 December 2018, 8:54am
18.	Attachment 18 – Email of 6 September 2019, 11:12am.
19.	Attachment 19 – Email of 9 September 2019, 9:56am.
20.	Attachment 20 – attached to attachment 19 email of 9 September 2019, 9.56am.
21.	Attachment 21 – email of 19 September 2019, 11.32am.
22.	Attachment 22 – email of Friday 20 September 2019, 9.09am
23.	Attachment 23 – email of 30 November 2018, 8.22am
24.	Attachment 24 – Email of Friday 30 November 2018 9.18am
25.	Attachment 25 – Attached to email of 30 November 2018, 9.18am attachment WITHHELD IN FULL UNDER s9(2)(g)(i)
26.	Attachment 26 – email of Tuesday 18 December 2018, 8.25am
27.	Attachment 27 – email of Wednesday 12 December 2018, 1:04pm
28.	Attachment 28 – attached to email of Wednesday 12 December 2018, 1:04pm WITHHELD IN FULL UNDER s9(2)(g)(i)
29.	Attachment 29 – email of 12 December 2018, 2:11pm
30.	Attachment 30 – attached to email of 12 December 2018, 2:11pm. WITHHELD IN FULL UNDER s9(2)(g)(i)

