

23 September 2021

File Ref: OIAP-212673595-2707

Tony Randle

By email: fyi-request-15537-7dc1c1fa@requests.fyi.org.nz

Dear Mr Randle

Request for information 2021-126

I refer to your request for information dated 27 August 2021, which was received by Greater Wellington Regional Council (Greater Wellington) on 27 August 2021.

On 9 September 2021 I responded to you, letting you know we were working on the response.

You have requested the following:

"[...] with respect to the requested "2) The data that shows the extent to which the unit is subsidised", the GWRC has provided an Excel file containing a complete breakdown of the subsidies received by Waka Kotahi New Zealand Transport Agency (Waka Kotahi) per month since the implementation of the PTOM in July 2018.

This outlines the amount the unit was subsidised but not the extent to which the unit is subsidised. Can the GWRC provide the Commerciality Ratios for all of the PTOM units (bus, rail and ferry) as outlined in Appendix H of the NZTA Procurement Manual? I will be satisfied with this information on an annual basis.

I believe provide the NZTA Commerciality Ratios for all of the PTOM units will provide the information I seek in part 2 of this request."

Greater Wellington's response follows:

Appendix 1 provides the Commerciality Ratios for Metlink bus units and the regional Commerciality Ratios by mode for the financial years 2018/19 and 2019/20.

The Commerciality Ratios provided in the tables are calculated based on the approach and formula set out in Appendix H of Waka Kotahi's Procurement Manual in the following link:

<https://www.nzta.govt.nz/resources/procurement-manual/>

Please note that:

- The Commerciality Ratios provided in Appendix 1 are produced solely to meet Waka Kotahi's requirements in the procurement manual and are not representative of Greater Wellington Regional Council's Revenue and Financing policies in the Long Term Plan.
- Greater Wellington does not use the Commerciality Ratios as a performance measure to inform the budget and funding structure in the Long Term Plan or Annual Plans.
- Likewise Greater Wellington does not consider Commerciality Ratios as an appropriate measure to monitor the extent or distribution of subsidy over time. This is primarily on the basis that the cost component used to calculate the Commerciality Ratios do not include the expenses that are necessary to deliver the services, including the capital expenditures associated with fleet, network access charges for rail services, infrastructure maintenance and upgrades, and network-wide costs such as ticketing and real-time information.
- Ferry services are operated under a net contract. Therefore the cost component of the Commerciality Ratio includes the fare revenue as a proxy for the balance of the costs after contract price to estimate the gross operating costs.
- For the bus network, the SuperGold funding is allocated to units based on their share of the total SuperGold patronage.

I hope you find the provided information helpful.

If you have any concerns with the information referred to in this letter, you have the right to request an investigation and review by the Ombudsman under section 27(3) of the Local Government Official Information and Meetings Act 1987.

Yours sincerely



Scott Gallacher

Kaiwhakahaere Matua Metlink | General Manager Metlink

Appendix 1 to OIA 2021-126

COMMERCIALITY RATIOS

Ranked from high to low

Metlink Bus Units

2018/19

[Waka Kotahi Procurement Manual s. 10.6](#)

UNIT	COMMERCIALITY RATIO
Unit 06	112.7%
Unit 01	89.8%
Unit 12	80.1%
Unit 02	76.2%
Unit 07	68.7%
Unit 04	61.4%
Unit 08	55.8%
Unit 03	46.9%
Unit 05	42.5%
Unit 10	40.0%
Unit 11	33.9%
Unit 09	33.0%
Unit 13	30.1%
Unit 15	27.5%
Unit 14	25.6%
Unit 18	21.0%

COMMERCIALITY RATIOS

Ranked from high to low

Metlink Bus Units

2019/20

[Waka Kotahi Procurement Manual s. 10.6](#)

UNIT	COMMERCIALITY RATIO
Unit 06	80.1%
Unit 01	62.7%
Unit 12	58.8%
Unit 02	54.0%
Unit 07	50.8%
Unit 04	46.0%
Unit 08	39.6%
Unit 03	33.5%
Unit 10	31.7%
Unit 05	29.8%
Unit 11	25.6%
Unit 09	25.5%
Unit 13	23.4%
Unit 15	19.4%
Unit 14	19.0%
Unit 18	17.2%

Regional Commerciality Ratios

2018/19

[Waka Kotahi Procurement Manual s. 10.6](#)

UNIT	COMMERCIALITY RATIO
Bus	58.2%
Rail	91.8%
Ferry	78.6%
Network	72.7%

Regional Commerciality Ratios

2019/20

[Waka Kotahi Procurement Manual s. 10.6](#)

UNIT	COMMERCIALITY RATIO
Bus	42.7%
Rail	71.4%
Ferry	75.4%
Network	54.7%