

Bus Services Review

UPDDATE

11 SEPTEMBER 2025 - COUNCIL WORKSHOP

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Purpose

To update Councillors on our service design approach to reduce service costs by \$5 million during the 2025/26 financial period

1. Background and recap
2. Work to date
3. Emerging implementation challenges
4. Step back
5. Service reduction principles
6. Opportunities for savings
7. Proposed services review programme

Background

The **2024 Long Term Plan** noted:

‘Constrained funding availability may affect the size and timing of our proposed service design ...’ and ‘We will regularly review the network and the quality and capacity of our services to ensure that we are delivering services where they are needed the most.’



In late 2024, Metlink started to review expenditures to determine where efficiencies and cost savings could be found to reduce the rating increases forecast in the LTP for the 25/26 Annual plan, including avenues such as bus service level reductions.

During Council workshops on **12 Nov 24** we discussed with Councillors cost savings options (*see recap slide*). Based on this, we have developed a services review programme proposal.

RECAP: Bus Network Cost Reduction Opportunities

Slide from
12/11/24

The current bus network contains opportunities to reduce cost on services with poor cost recovery and/or services that exceed RPTP requirements.

	Low Impact	Medium Impact	Higher Impact
SAVINGS	\$1m	\$2.5m	\$5.0m
KEY CHANGES	Off-peak - some reduction or removal of very low use services	Low Impact changes + Further off-peak reduction to days and span of low use and highly duplicated services	Medium Impact changes + some reduction of interpeak frequency on lower use and duplicated services
CUSTOMER IMPACT	Concentrated impact for a very small number of customers with no service.	Impacts for a small number of customers affecting available days and times of travel.	Impacts more customers with less frequent service or more need to transfer.
OPERATOR	Limited effect, relatively minor effect on overall driver hours	More driver hour reductions & some effect on split shifts	Greater impact on split shifts and reduction in driver hours

Work to date

TARGET: save \$5M in the 25/26 year from network optimisation

MAY 25

- Context shared with operators, high level approach socialised

JUNE 25

- Assessment methodology developed, all services assessed against strict application of RPTP policies

JULY / AUGUST 25

- Worked through application of methodology with one operator
- Other operators updated on progress



Emerging implementation challenges



Who will be affected?

- Customers and communities
- Operators



What does implementation need?

- Metlink
- Operators



How much change can we deliver?

- Lots of small changes vs fewer big changes
- Perceptions of fairness



How do we do this?

Removing services is not our usual practice – we need a robust process



Have we got enough time?

We started late – is it realistic to find \$5M savings this financial year?

Taking a step back

Saving costs by reducing bus services is more complicated than it seemed, but reducing our rates increases is essential.

- We need to:**
- make changes easy for our customers and ratepayers to understand
 - be seen to be even handed with our operators
 - do this well



Instead of a one-off \$5m cut, we recommend following a deliberate, cost-capping approach to service design, with a focus on ongoing cost efficiency and cost reduction:

- Using a set of principles to enhance the policies in the RPTP
- Using a standard methodology to identify and quantify potential changes
- Continue the current review to optimise services and make short term savings
- Inform a structured programme of ongoing, area-based service reviews
- Make manageable changes focused on cost efficient services and community priorities
- Identify more significant opportunities to reduce longer term costs through service changes in future procurement tranches (bus and rail)

Service reduction principles

- Avoid reductions that affect **critical peak capacity** and **mode shift**.
- Avoid reductions that leave whole communities without **basic coverage and access**.
- Focus on **lower use, higher subsidy** and **overlapping** services.
- **Align with rail services**
- Apply **RPTP service delivery thresholds**:
 - Minimum usage (<4 per trip)
 - Cost recovery (<20%)
 - Catchment thresholds (<2700 population, minimum density and private vehicle ownership)
- Align to **RPTP Service level guidance** for Core and Local services.

What are our opportunities for savings?

Our Bus Operations budget is \$125.82 million - \$5mill reduction = ~4%

We have started from an approach of what we must provide (i.e. core network expenditure required to meet key policy obligations under the RPTP) vs. what we'd like to reduce?

MUST PROVIDE	<i>Impact of inaction</i>	TO REDUCE	<i>Impact of inaction</i>
Core network capacity - passengers are able to board the bus or train.	Passenger left behind – longer term reputation impact on PT network	Standing on buses – at peak and off-peak	Poorer customer experience , but customers still get to destinations
Basic network coverage – RPTP aim to bring PT to within 5-10 mins walk of passengers.	Loss of access - Users with no transport alternatives lose access to work, education, shopping etc.	Network duplication to reduce transfers (RPTP beyond nearest town and city centres)	Slower journeys with transfer , but customers still get to destinations
Seven day a week services – RPTP guidance for Core and Local routes	Loss of access - Users with no transport alternatives lose access to work, education, shopping etc	Late night services (RPTP Core after 11pm, Local after 9pm)	Reduced travel options , less support for night economy and shift workers (Poneke Promise)
School bus services to nearest and zoned schools where no public alternative	Loss of access – vulnerable users required to transfer, make longer journeys and/or significant walk to nearest and/or zoned schools.	Express services (if not required for M1 or M2)	Slower journeys that may affect mode share

Proposed services review programme

SEPTEMBER 2025 – JUNE 2026

Current network wide review activity to optimise services.
Short term, cost reductions <\$5M pa

JANUARY 2026 – JUNE 2027

Programme of detailed reviews to maximise service optimisation aligned with Transport Services Procurement Tranches.
Long term, greater opportunity for cost reductions

JULY 2026 – ONGOING

Programmed reviews by community area, rail line, and implementation of Bus Priority Action Plan as per RPTP.
Any cost increases must be offset by reductions unless new funding is provided.

SEPTEMBER 2025 – ONGOING

Continual operational changes, ie community or operator requests for minor timetable changes, disruption management etc.
Any cost increases must be offset with cost reductions.

Any questions?

DO YOU HAVE ANY QUESTIONS?

