

Simplifying PT investment

Rotorua Lakes District Council feedback on principles and modelling options

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Agenda

1. Scene setting

- Background
- Meeting objective
- Principles
- Scope of this project

2. Draft model options

- Region-wide flat rate
- Greater Wellington Approach
- Expanded status quo

3. Next steps

- TA engagement for feedback
- Public sounding for feedback on draft options
- WRC to consider all feedback ahead of final workshop and Annual Plan 2025/26

Background

- The current PT rating system is unnecessarily complex.
- Simplifying investment will help implementation of an integrated region-wide network.
- Waikato Regional Council decision in principle to implement regional rating for PT services from July 2025 (LTP 2024-34).
- Draft models for rating options have been developed.

Objective

- Your feedback on draft model options – figures are not final they are an estimate.
- Council to indicate preferred option(s).
- Reminder: this is pre-engagement.

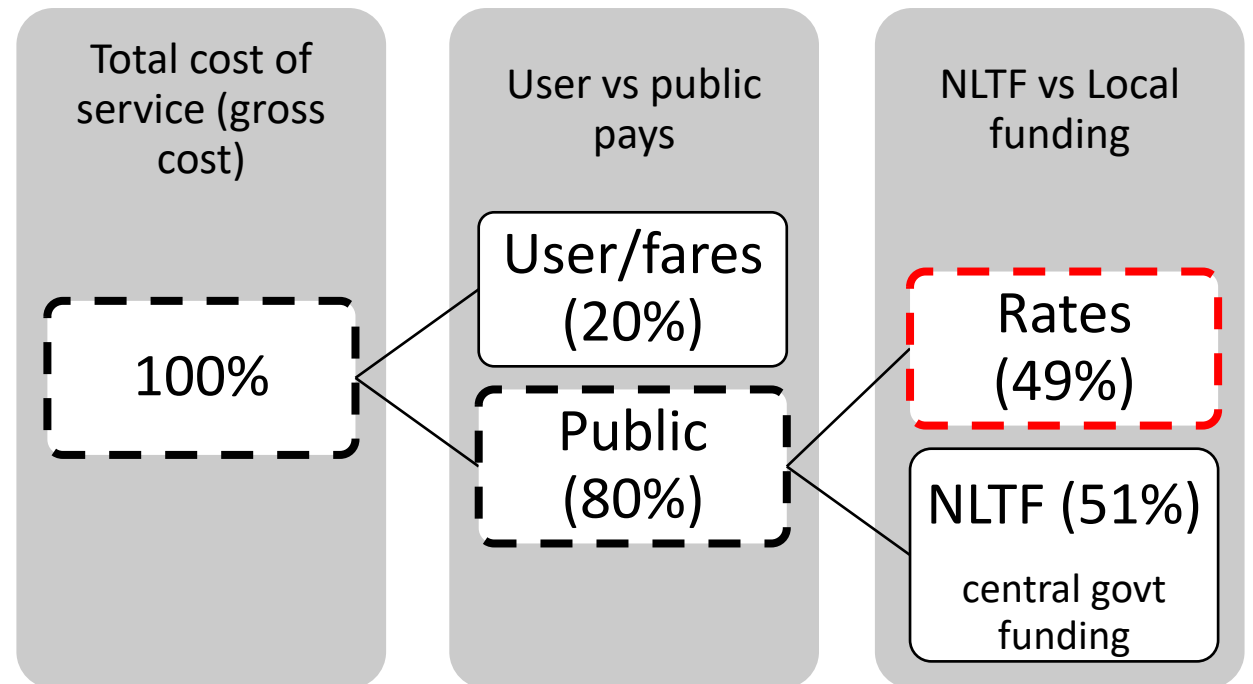
Scope of the project

- Community Transport and Total Mobility are included in each draft option
- Te Huia out of scope for this project
- Treat public transport as a “public good” – tend towards broader distribution of costs.
- Take account of affordability, fair distribution of costs, and levels of service
- Long-term thinking – enable future transport service types
- Provide for public pre-engagement and testing of draft-options

Scope

The 'local share' (rates-funded portion) of the net cost of **community transport** support, **bus** and **total mobility** services.

Bus	✓
Total Mobility	✓
Community Transport	✓
Te Huia	✗

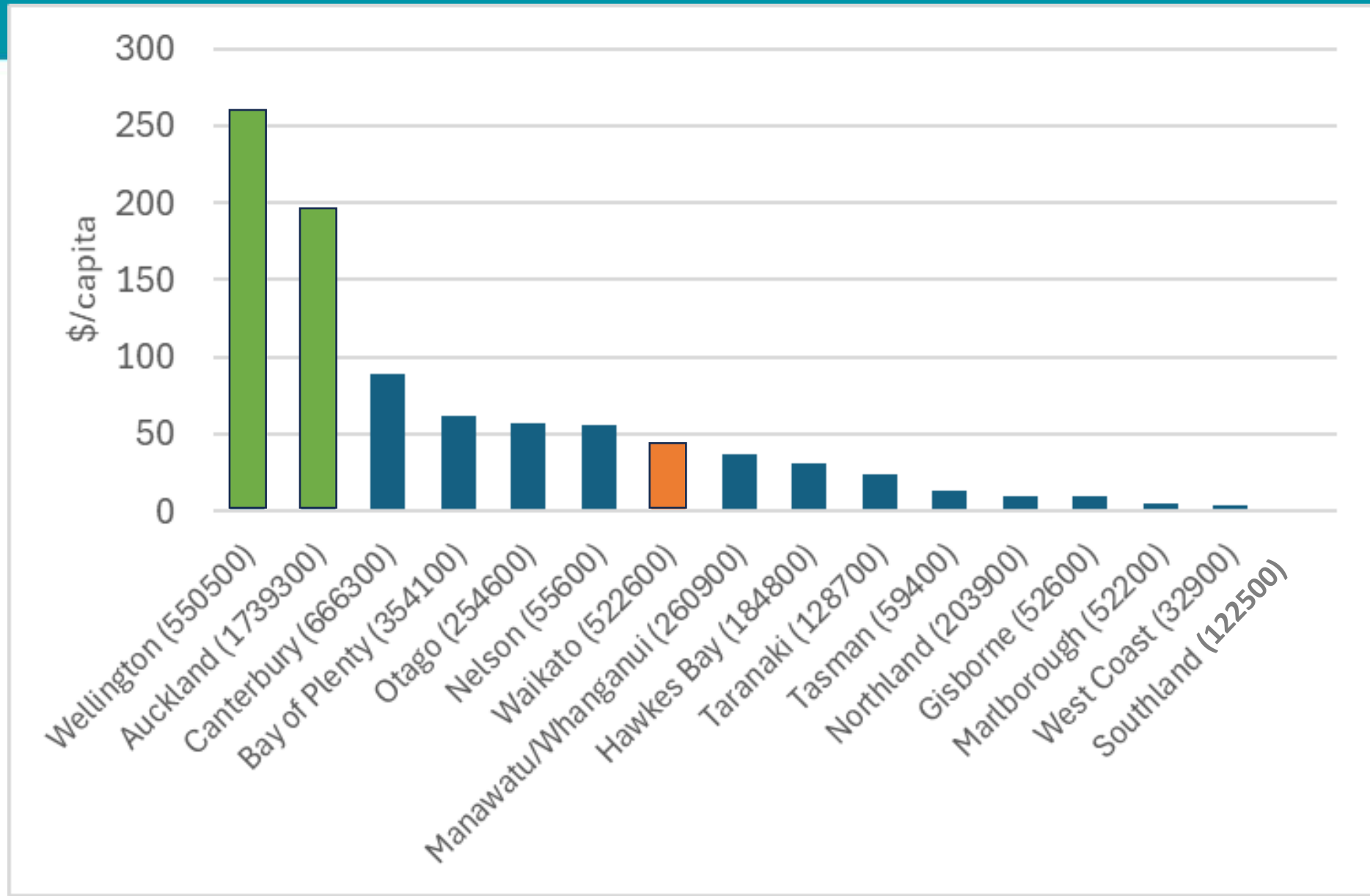


Future aspirations



- How would the model cope with:
- New services within and between Districts
- Demand responsive and non-fixed route local services.
- Local services converging at hubs with transfers connecting to Hamilton or a large town.
- Existing services that have high community need, but also high cost.

Local investment levels per capita (2024-2025)



-  Waikato
-  Includes rail

Principles

Public transport is a public good

It is good for our region's communities, economy and environment to have good public transport, so we all pay something even if it's not accessed by everyone.

Boundary-less

Public transport should function to serve the needs of communities wherever they are, not be determined by administrative boundaries. The services, delivery and funding models should support a boundary-less approach.

Future-fit

The approach needs to be resilient to changes in the public transport network as it evolves towards the vision in the Regional Public Transport Plan.

Fair

What people pay through their rates reflects that it is one of three funding streams, the broad benefits of public transport, the costs of providing services and affordability of rates.

Efficient

The approach should be no more complicated than it needs to be, is simple to administer and adjust over time.

Transparent

People need to be able to see and understand how what they pay is calculated.

2. Draft model options

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Assumptions

- All figures based on 2024/25 funding levels.
- No new funding sought from TAs – only considering approaches to distribution.
- ~226,259 Rateable units in the Region.
- Any targeted area calculations are approximate.

Service	2024/25 local share NLTP
Bus services	\$ 14.8M
Total mobility	\$ 0.5M
Community transport	\$ 0.5M
Total rates required	\$ 15.8M

All figures are best estimates.

Option 1: Region-wide flat rate

- Every unit treated the same

Sub-options:

1A: Uniform charge: **\$70**

1B: CV based charge:

	Per \$100k CV	Example property values (CV)		
		\$ 500k	\$ 1m	\$ 2m
Charge	\$ 6	\$ 30	\$ 59	\$ 118

Estimates are for comparative and illustrative purposes only. Final numbers will vary subject to detailed modeling.

Option 2: 80:20 region-wide

- Whole-region treated the same
- 20% region-wide
- 80% locally targeted

Sub-options

2A: Uniform charge

2B: CV based charge

- Targeted component = urban areas serviced by bus

Option 2: 80:20 region-wide

	2A. Uniform charge	2B. CV Based charge			
		Per \$100k CV	\$ 500k	\$ 1m	\$ 2m
All properties	\$14	\$1	\$6	\$12	\$24
Targeted properties	\$105	\$11	\$53	\$107	\$213

Note: the “Targeted properties” charge is the 20% regional charge, plus the targeted charge.

Estimates are for comparative and illustrative purposes only. Final numbers will vary subject to detailed modeling.

Option 3: Greater Wellington Approach

- 7 differentials (categories of property).
- Multiplier for each differential is a 'best fit' balance of:
 - Cost
 - Service levels
 - Public good benefits
- Note: Business has a higher multiplier than rural and residential (per GW approach)
- Different rates for Hamilton City, Central Waikato and Regional Waikato.

Sub-options

3A: Uniform charge (only uniform charge modelled due to complexity)

3B: CV based charge (not modelled)

Option 3: Greater Wellington Approach

- Boundaries informed by:
 - Stats NZ journey to work data (2018)
 - TA boundaries
- **City:**
 - All of Hamilton City
- **Central area:**
 - Waipa District
 - Waikato DC South of Rangiriri
 - MPDC – Morrinsville and surrounds.
- **Regional:**
 - Everywhere else

Differentials	Bus	TM/CT
City	✓	✓
Central - business (serviced)	✓	✓
Central - residential (serviced)	✓	✓
Central – rural and un-serviced		✓
Regional - business (serviced)	✓	✓
Regional - residential (serviced)	✓	✓
Regional – rural and un-serviced		✓



Option 3: Greater Wellington Approach

- A. Aproximates current rate costs for TA areas.
- B. Treats business and residential the same.
- C. Spreads the costs more evenly across the region.

Estimates are for comparative and illustrative purposes only. Final numbers will vary subject to detailed modeling.

Differentials	A		B		C	
	Multiplier	Cost/unit	Multiplier	Cost/unit	Multiplier	Cost/unit
City	7	193	7	180	5	163
Central - business	3	83	3	77	2	65
Central - residential	2	55	3	77	2	65
Central - No bus service	1	28	1	26	1	33
Regional - business	1	28	1	26	1	33
Regional - residential	0.5	14	1	26	1	33
Regional - No bus service	0.25	7	0.25	6	0.5	16

Comparison of options: costs by TA (\$1,000,000)

	Current	Option 1		Option 2		Option 3 A
		1A Uniform	1B. CV-based	2A. Uniform	2B. CV-based	Uniform
Hamilton	12.45	4.58	4.23	6.92	7.63	12.67
Waikato	1.16	0.77	0.58	0.39	0.25	0.92
Waipā	0.89	1.11	1.15	1.27	1.11	0.73
Hauraki	0.13	0.35	0.39	0.25	0.19	0.11
TCDC	0.19	0.70	0.51	0.91	0.52	0.23
MPDC	0.25	1.66	1.77	2.01	2.29	0.46
SWDC	0.18	1.99	1.99	0.77	0.63	0.15
Taupō	0.38	2.44	2.67	1.81	1.53	0.35
Waitomo	0.06	1.69	2.07	1.11	1.42	0.07
Otorohanga	0.07	0.36	0.26	0.31	0.16	0.07
Rotorua	0	0.10	0.16	0.02	0.03	0.01

*Estimates are for comparative and illustrative purposes only. Final numbers will vary subject to detailed modeling.

3. Next steps

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Pre-engagement

TA pre-engagement roadshows

- Feedback will inform WRC's consideration of options for public consultation.

Public sounding through a survey to be sent directly to:

- The People's Panel
- The Public Transport Users group
- What groups do you recommend?

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