

MINISTERIAL BRIEFING NOTE

Subject	National Ticketing System Contract Signing Media Event
Date	14 October 2022
Briefing number	BRI-2616

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 st contact
Yogesh Anand	National Ticketing Solution Programme Sponsor		s 9(2)(a)	✓
Steve Mutton	Director Regional Relationships, Auckland		s 9(2)(a)	

Action taken by Office of the Minister

- ☐ Noted
- ☐ Seen by Minister
- ☐ Agreed
- ☐ Feedback provided
- ☐ Forwarded to
- ☐ Needs change [please specify]
- ☐ Withdrawn
- ☐ Overtaken by events

14 October 2022

Minister of Transport

National Ticketing System Contract Signing Media Event

Purpose

1. This briefing provides you with information about the National Ticketing Solution prior to the contract signing on 21 October 2022 from 8:30am – 9:00am.

Project funding and costs

2. The cost for the procurement of the National Ticketing Solution is \$27.2 million.
3. The total cost, over 15 years, is \$1,338M funded from the National Land Transport Fund.
4. \$204M is funding that will attract normal funding assistance rates (FAR) i.e. 51 percent. The remainder is 100 percent funded by Waka Kotahi NZ Transport Agency.

Project features

5. Key features of the National Ticketing Solution include:
 - Account based system where details of your travel are held in a back-office, as well as any concessions that may be applied (e.g. students, seniors).
 - People will be able to use their contactless bank card (debit or credit) or digital wallet (e.g., Apple Pay) to pay for travel on public transport services in areas that are part of the national ticketing system across the country.
 - A national transit card will be available for passengers who don't have or use a contactless bank card.
 - The system will calculate the cost of a person's journeys, apply the best available fare, and charge it to their payment method at the end of each day. Concessions and travel caps will be applied before payment is taken.
 - Notifications provide feedback to registered customers on how much their travel has cost them in as near to real-time as possible through an app/website
 - Public Transport Authorities will set fares for their regions, decide on what travel products will be available, and will maintain all control over routes and services.

Project benefits

6. Key benefits of the National Ticketing Solution include:
 - Enhanced and nationally consistent customer experience that reduces barriers to travel.

- An affordable and efficient public transport network that delivers operational efficiencies and strategic information for public transport authorities.
- Efficient, least cost, regional and national investment by minimising duplication and enabling partners to share services.
- Improved public and government confidence in ticketing investment through appropriately managed risks (i.e., ensuring procurement, implementation and operation of the ticketing solution meets statutory, regulatory and industry compliance requirements).
- Quality ticketing data to make better decisions relating to public transport strategy and investment at both a national and regional level.
- Provides opportunity to introduce new functions, such as congestion charging, tolling, and park and ride.
- Better delivery of national public transport and social policy initiatives such as Super Gold and Community Connect cards.
- Rapid changes in the event of disruption (such as COVID-19) by enabling effective, rapid support for regional and national responses (including social tracing for all those with registered cards), and to enable options for fare products and prices, for on-going travel, and for revenue stream protection.

Project context

7. The project aligns with the Government Policy Statement on Land Transport, the New Zealand Disability Strategy, and Regional Public Transport Plans, New Zealand's Digital Strategy and enables deployment of government policy initiatives such as the Community Connect card.
8. The National Ticketing Solution is founded on the premise that a New Zealand-wide approach to transport ticketing, achieved through the co-ordinated participation of all regions, will deliver best value for money for national and regional investment, a consistent customer experience across all regions, and improve public transport attractiveness.
9. This is expected to be achieved through economies of scale, avoiding duplication of investment, and providing a modern, high-quality ticketing and payment solution unlikely to be affordable and manageable on a regional basis.
10. Current ticketing and payment systems vary in capability and customer experience region-by-region across New Zealand.
11. Regional councils are at different stages of investment and interim bus ticketing solutions have been put in place to better align investment across regions in expectation that a national solution will be introduced.
12. The first priorities for the National Ticketing Solution implementation are Environment Canterbury (mid 2024) and all other councils transitioning by 2026.
13. Internationally, closed loop systems with stored value cards have been superseded by account-based ticketing solutions. These provide wider accessibility for users, more flexibility for both customers and operators, significantly better data for efficient network management, and provide a digitally enabled system that can accommodate future technology developments.

14. Customers want to be able to pay for public transport like they pay for other goods and services and expect digital payment channels to help streamline their journeys.
15. Based on our research, between 70 and 80 percent of customers currently have the technology and are ready or can be easily convinced to use a contactless debit/credit card or virtual card on a mobile device.

Key messages

16. Key messages of the National Ticketing Solution include:

- The National Ticketing Solution is a collaborative project between Waka Kotahi and 13 Public Transport Authorities which will provide a range of easy-to-use payment methods across all public transport in New Zealand.
- Customers will be able to pay for public transport using contactless bank issued cards (like a debit or credit card) or digital payment methods (like Google Pay) as well as a pre-paid transit card.
- By 2026, customers will be able to use these payment methods on all public transport, in most regions of New Zealand
- Regional/Local Councils (as Public Transport Authorities) current platforms are at different stages of investment for future upgrades.
 - Environment Canterbury's current system is near end of life and in need of replacement.
 - Greater Wellington Regional Council and Auckland Transport want to introduce contactless payments on public transport as soon as possible.
 - The Regional Consortium has launched a closed-loop system across ten councils with the Bee Card which is an interim measure until delivery of the National Ticketing Solution.
- This is a necessary upgrade to payment technology and ticketing platforms to meet customer expectations and keep up with what is being offered overseas for public transport users.
- The new technology will allow daily weekly and monthly fare caps to be applied to travel automatically and customers will be charged the best possible fare at the end of each day.

Risks

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20. Short notice for the signing and so close to recent local government elections may mean that representatives from all Public Transport Authorities may not be able to attend.
21. Previous negative attention around delays for the National Ticketing Solution means this event would be under intense scrutiny.

You have received the following briefings on this subject:

1. BRI-2383 - Update on the National Ticketing Solution Gateway Review, 28 January 2022

Ministerial Contract Signing

22. The event will be located at Britomart Train Station Auckland CBD.
23. Speeches and a contract signing will take place.

Key attendees to acknowledge

24. The key attendees invited for the National Ticketing Solution contract signing include the following:
 - Waka Kotahi Board Chair and Board Members
 - Nicole Rosie, Waka Kotahi Chief Executive
 - Wayne Brown, Auckland City Mayor
 - Jeff Lowinger, President Cubic Transportation Systems
 - Other local council officials

Media

25. We expect some national media interest.
26. There has been little media around the project recently however there has been strong narrative around local authorities looking at transport investment and certain projects in their regions.
27. Earlier in the year media interest in the project focused on the delay to the project and updated delivery timeframes.

It is recommended that you:

1. **Note** the contents of this briefing.



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Yogesh Anand

Programme Sponsor, National Ticketing Solution

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Hon Michael Wood, Minister of Transport

Date:

2022

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