

## MINISTERIAL BRIEFING NOTE

<b>Subject</b>	Post-Budget Roadshow on Public Transport Investment and Inspection of Driver Protection Screens
<b>Date</b>	18 May 2023
<b>Briefing number</b>	BRI-2776

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 <sup>st</sup> contact
Deb Hume	National Manager Multimodal Integration, Transport Services	Section 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- ☐ Withdrawn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

18 May 2023

**Hon Michael Wood – Minister of Transport**

## Post-Budget Roadshow on Public Transport Investment and Inspection of Driver Protection Screens

### Purpose

1. This briefing provides you with information about the Post budget roadshow prior to the visit at NZBus Halsey Street Depot in Auckland, on Tuesday, 23 May 2023.

### Project funding and costs

2. The total cost of the Budget 2023 investment into public transport is \$516.3 Million
3. The cost for the operation of public transport services of the Government Budget 23 is \$140 million. This support helps to keep public transport services operating that would otherwise be unaffordable, this funding includes \$71.4 million for Waka Kotahi NZ Transport Agency and \$68.6 million proportionately allocated across Public Transport Authorities, with Auckland Transport receiving the largest share of with nearly \$40 million and Wellington receiving just over \$15 million.
4. The cost for the Public Transport Workforce Sustainability and Skill Improvements of the Government Budget 23 is \$49.3 million.
5. The cost for the Community Connect programme is \$327 million. This initiative is an important policy to enable more equitable access to our public transport network by targeting support to those on low incomes, receiving Government benefits and youth, enabling these groups to travel more affordably.

### Project context – public transport investment

6. Significantly higher input costs (diesel, wages, electric bus cost premiums, additional public holidays, and other statutory leave provisions like extra sick leave) and lower revenue due to reduced fare take from reduced patronage post-Covid, have made public transport operations highly unaffordable.
7. The \$140 million investment ensures public transport services can continue to operate effectively as Public Transport Authorities continue with their post-Covid patronage recovery, contributing to the Government's goals of providing more transport choices and emissions reductions.
8. This has been approved for three years from 2023-24. This provides additional Tranche 2 funding for further increases to base wages, implementation of a split shift allowance, and penal rates after 9pm, and Tranche 3 funding for improvements to recruitment, training and working environments. This investment is on top of the \$61 million announced in last year's budget for Tranche 1.
9. Achieving emissions reductions targets relies on a reliable public transport network, which has had ongoing challenges attracting and retaining bus drivers. Following work undertaken by the

sector to identify the key investments required to improve the working terms and conditions for drivers.

10. Last year's Tranche 1 \$61 million investment has made an immediate difference in bus driver pay and conditions, with many regions now paying drivers at least \$28 to \$30 per hour. This has helped reduce the national bus driver shortage, with more than 400 drivers entering the workforce since the end of 2022.
11. The \$49.3 million Tranche 2 and 3 investments in Budget 23 will continue to accelerate wage uplifts and improvements to driver terms and conditions, as well as enhance ongoing recruitment, training and working environments. The funding will enable the sector to resolve the national bus driver shortage as quickly as possible, which will alleviate ongoing service disruptions and grow the public's confidence in public transport networks nationwide.
12. Universal Half Price Fares end on 30 June 2023. There remains a need to ensure affordable access to public transport continues for those who need it most.
13. The \$327 million top-up extends the Community Connect scheme to include free travel for 5–12-year-olds and half price fares for 13–24-year-olds. This is on top of half price fares for Community Service Card holders as part of Community Connect announced last year.
14. Community Connect for Community Services Card holders commences on 1 July 2023 as planned. The funding for the extensions will encourage Public Transport Authorities (PTAs) to implement these extensions as soon as possible. Considering the implementation period required for ticketing system changes.

#### **Project context – Bus driver protection screens**

15. The issue of bus driver safety has received greater industry attention following a spate of recent safety incidents involving bus drivers in Auckland and Wellington (e.g., assaults and anti-social behaviour).
16. In response, NZBus has worked with Auckland Transport (AT) to trial the installation of driver protection screens that provide added protection to drivers from assaults and other forms of anti-social behaviour.
17. The trial has received positive feedback from AT and NZBus drivers. AT and NZBus now plan to deploy these screens to the rest of their fleet.
18. Considering the trial's success, the Bus Driver Safety working group chaired by Waka Kotahi has identified the installation of driver protection screens as a potential inclusion into the next update of the Requirements for Urban Buses, which sets out minimum design standards for urban buses.

#### **Key messages**

19. Key messages for the \$49.3 million bus driver wage investment:
  - Bus drivers' conditions will continue to improve because of this further investment to support recruitment and retention from Budget 23.

- The Tranche 2 funding will stabilise and lead to a sustainable driver workforce by improving the drivers' pay. This will make it easier to recruit and retain drivers, allowing for frequent and reliable bus services.
- The Tranche 3 funding will support improvements to recruitment, training, and improvements to working environments (e.g., driver rest break facilities).

20. Key messages for the \$140 million investment in public transport services:

- This investment provides relief for public transport operations cost escalations, allowing PTAs to focus on their continued delivery of public transport services, as more Kiwis return to taking a bus, train, or ferry for their day-to-day travel.

21. Key messages for the \$327 million Community Connect top-up:

- This investment in the expansion of Community Connect will enable more equitable access to our public transport network by targeting support to those on low incomes, receiving Government benefits and youth.
- This is especially important as Community Connect will commence on 1 July as the current universal half price fares scheme phases out, by providing those less able to pay increased opportunities to access public transport

#### Other matters

22. The visit to the NZBus depot will also serve as an opportunity to talk with NZBus bus drivers:

- Bus drivers employed by NZBus attending the event will have an opportunity to discuss the funding announcement and the bus driver protection screens with you.
- The Tranche 1 funding enabled an uplift to NZBus drivers' base wage rate from \$26.50 per hour to \$26.76 per hour, and an increase to their penal rate by \$0.14 per hour.
- This has been backdated to 1 April 2023, with first payments to drivers commencing Monday 22 May, according to Auckland Transport. This is one day prior to the depot visit.
- Auckland Transport will work towards a base wage rate of \$30 per hour, subject to the availability of local share funding for this further uplift.

23. Due to health and safety regulations NZBus can only accommodate 20 people in total to the site visit.

#### Ministerial Visit

24. The event will be located at the NZ Bus Wynyard Quarter Depot at Halsey Street, Auckland.

25. Following a welcome and karakia by Delaney Myers, Manager Public Transport. Following the Minister's announcement, **Section 9(2)(a)** and Stacey van der Putten, Executive General Manager Safety, AT will speak.

26. This will be followed by the inspection of bus driver protection screens, the discussion with bus drivers and then media interviews and photographs.

**Key attendees to acknowledge**

27. The key attendees invited for the depot visit include the following:

- Local Members of Parliament
- Section 9(2)(a) (Kinetic is the owner of NZ Bus)
- Stacey van der Putten, Executive General Manager Safety, Auckland Transport
- Darek Koper, Group Manager Metro Services, Auckland Transport
- Section 9(2)(a), Bus and Coach Association
- Section 9(2)(a), NZ Council of Trade Unions
- Section 9(2)(a), Tramways Union

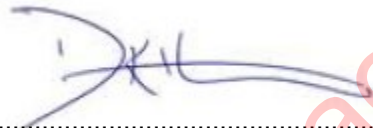
**Media**

28. We expect some national media interest.

29. For instance, several national news outlets attended your announcement for the Tranche 1 funding for the bus driver terms and conditions improvements on 30 October 2022.

**It is recommended that you:**

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



**Deb Hume**

National Manager Multimodal Integration

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**Hon Michael Wood, Minister of Transport**

Date: 2023