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8 December 2022

[REDACTED]

REF: OIA-11505

Dear [REDACTED]

Request made under the Official Information Act 1982

Thank you for your email of 4 November 2022 to Hon Michael Wood, Minister of Transport, requesting the following information under the Official Information Act 1982 (the Act):

- 1. What organisation(s) will fund the project, and how will the cost be shared?*
- 2. Have all current providers of urban public transport in New Zealand agreed to adopt or come under the proposed system?*
- 3. Which body initiated the proposal? (That is, did the request for a new national system come from current local providers of public transport, from Waka Kotahi itself, or from some other body?).*
- 4. Did the commissioning body (Waka Kotahi) draft a system specification prior to entering into contract negotiations?*
- 5. Was a business case and/or cost/benefit analysis drafted prior to entering into contract negotiations?*
- 6. Was a request for proposals issued by Waka Kotahi?*
- 7. Was there a competitive tendering process, and if so how many tenders, offers or proposals were received?*
- 8. What exactly has the nominated supplier (Cubic Corporation) contracted to provide?*
- 9. What will be the full cost to Waka Kotahi and the Crown of the NTS?*
- 10. Will any financial benefit accrue to Waka Kotahi or the Crown from implementation of the NTS?*

On 16 November 2022, your request for information was transferred to Waka Kotahi NZ Transport Agency for response.

I will answer each part of your question in turn.

1. What organisation(s) will fund the project, and how will the cost be shared?

The Public Transport Authorities (PTAs) will fund 7.7 percent at a total of approximately \$100 million and 92.3 percent is being funded from the National Land Transport Fund at a total of approximately \$1.2 billion for the 15-year programme. The total programme cost of the National Ticketing Solution is \$1.3 billion.

- 2. Have all current providers of urban public transport in New Zealand agreed to adopt or come under the proposed system?**

Yes. All of the PTAs have signed a participation agreement for the National Ticketing Solution.

- 3. Which body initiated the proposal? (That is, did the request for a new national system come from current local providers of public transport, from Waka Kotahi itself, or from some other body?).**

The proposal for a national system was a collaborative decision driven by Waka Kotahi and the PTAs.

- 4. Did the commissioning body (Waka Kotahi) draft a system specification prior to entering into contract negotiations?**

No. Waka Kotahi and the PTAs produced a list of requirements for the National Ticketing Solution. Those who responded were asked to produce their system specifications and how these would meet the requirements for the National Ticketing Solution.

- 5. Was a business case and/or cost/benefit analysis drafted prior to entering into contract negotiations?**

Yes.

- 6. Was a request for proposals issued by Waka Kotahi?**

Yes.

- 7. Was there a competitive tendering process, and if so how many tenders, offers or proposals were received?**

A three-step process was used: market sounding, registration of interest and request for proposal. There were 8 consortia which responded to the registration of interest. This list was subsequently reduced to 5, which were invited to respond to our request for proposal. We received 4 responses to the request for proposal.

- 8. What exactly has the nominated supplier (Cubic Corporation) contracted to provide?**

Cubic has been contracted to design, build, implement and operate services for the National Ticketing Solution, including IT, business processes and engineering services.

- 9. What will be the full cost to Waka Kotahi and the Crown of the NTS?**

Please see the answer to question 1.

- 10. Will any financial benefit accrue to Waka Kotahi or the Crown from implementation of the NTS?**

There is no direct financial benefit to Waka Kotahi or the Crown in implementing the National Ticketing Solution.

The total estimated monetised benefit resulting from the NTS is \$917 million. This is predominately made up of decongestion and public transport user benefits that accrue PTAs and customers.

If you would like to know more about the National Ticketing Solution, you can find information on the Waka Kotahi website here: www.nzta.govt.nz/walking-cycling-and-public-transport/public-transport/national-ticketing-solution/.

In line with Waka Kotahi policy, this response will soon be published on our website, with personal information removed.

If you would like to discuss this reply with Waka Kotahi, please contact the Ministerial Services team, by email to official.correspondence@nzta.govt.nz.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Yogesh Anand', with a long horizontal stroke extending to the right.

Yogesh Anand
Programme Director, NTS