

MIN-4532 EV bus funding and the PT Services

11 June 2024

Following the meeting with NZ Transport Agency Waka Kotahi (NZTA) officials on 10 June 2024, we have been asked to provide answers to questions on EV bus funding and the Public Transport Services Activity Class/Continuous Programme

NZ Transport Agency Waka Kotahi (NZTA) response:

1. EV bus replacements and the Budget 2024 allocated funding for the transition to a low emission bus fleet and the reference to co-funding from the NLTF of \$120 million for the same purpose

- The Ministry of Transport (MoT) and NZTA staff have met today to discuss the issue.
- As part of the 2024-27 Public Transport (PT) continuous programme bid submission process, Public Transport Authorities (PTAs) were required to itemise the work category costs. In doing this the PTAs were asked to indicate how much of the baseline cost is to do with 'end of life' vehicle replacement costs, which is what the \$120 million gross total cost relates to (ca. \$62 million National Land Transport Fund (NLTF) share).
- The NLTF contributes to the cost of end-of-life bus replacements for contracted bus services. For urban buses as they near end-of-life, the cost now includes transition to Electric Vehicles (EV) as part of the contract costs.
- The PT bus decarbonisation contestable fund is to support councils with the cost of accelerating bus electrification (e.g., new EV charging infrastructure) and is additional to what is included in the Continuous Programme funding. We are working with MoT on criteria for the contestable fund that will ensure that there is a clear funding eligibility separation between the funding streams so there is no double-dipping.

2. The difference between the \$1,754 million funding for PT Services in the Continuous Programme advice and the \$1,957 million for PT Services referenced

- There are PT continuous programmes funded from the PT Services and PT infrastructure Activity Classes. The overall PT continuous programme indicative funding allocations is \$1,957 million, of which \$1,754 million is funded from the PT Services Activity Class and \$203 million from the PT Infrastructure activity class (for maintenance of existing PT infrastructure).

Noted by Minister