

MINISTERIAL BRIEFING NOTE

Subject	National Ticketing Solution Update
Date	12 February 2025
Briefing number	BRI-3262

Contact(s) for telephone discussion (if required)				
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Action taken by Office of the Minister

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- ☐ Withdrawn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

12 February 2025

Hon Chris Bishop – Minister of Transport

NATIONAL TICKETING SOLUTION UPDATE

Purpose

1. This briefing provides you with an introduction to the National Ticketing Solution (NTS), its background, and upcoming milestones for the programme.
2. You have asked to be updated on arrangements for the rollout of the NTS in Auckland, as well as the progress of the programme to-date and the schedule for the nationwide, which has been launched with a pilot and operate under the 'Motu Move' branding.

About the NTS, Cubic and the NTS' delivery model

3. A full background of the NTS, its partner organisations, and its delivery model is included as an attachment to this briefing.
4. NTS is a highly complex programme – it enables ticketing payments for bank contactless cards as well as a proprietary transit card across all public transport operators in NZ. This means 13 Public Transport Authorities (PTAs), multiple transport operators for each PTA, and 161 million individual trips per year¹. The technology solution delivers more than three dozen new platforms across five vendors. New Zealand is the first country to implement a nationwide ticketing system.

Programme update

5. The NTS project is on target to be completed on time and within budget, having moved into the delivery phase in early 2024. 33 percent of the design and build budget has been expended to date, noting however the pressures on time and budget set out below. The total cost of the programme remains \$1.338 billion over the period 2023-2037, which includes over 10 years of operational costs.
6. The NTS is now in its delivery phase, with a live-pilot of the NTS' contactless payment technology (release 0.5) underway as of 8 December 2024, on the Christchurch Airport bus service, operated by Environment Canterbury (ECan). It will be rolled out region by region over the next two years.

Live-pilot and product functionality

¹ Ministry of Transport – Household Transport Survey 2020-2023:
<https://www.transport.govt.nz/statistics-and-insights/household-travel/sheet/key-facts>

7. NTS release 0.5 represents the core functionality which will eventually be deployed across New Zealand. The live-pilot of release 0.5 enables the technology to be tested on an end-to-end basis to ensure a smooth and seamless customer experience. Most notably the contactless credit / debit card payments can be accepted for full non-concession adult fares only.
8. This pilot is continuing and providing valuable data and feedback for the programme to finalise its customer transition strategies to be used before the roll out across Canterbury and then nationwide. The pilot has been operating successfully to date with over 24.3 percent of trips paid via contactless payment and no customer issues.
9. The Motu Move Transit Card is not yet available as part of the pilot, nor are concession fares. Concession fares are, however, still available with ECan's current payment methods for the service (including the Metro transit card), as are cash fares.
10. Following the pilot, release 1.0 will be rolled-out with Timaru's MyWay service around 2025. s 9(2)(j)
11. s 9(2)(g)(i)
Testing is underway for release 1.0 and given the complexity of features, there has been a delay in the completion of the testing phase. s 9(2)(g)(i)
12. The first full functionality release will be release 2.0, which is currently planned to be delivered for roll-out in mid-2025. s 9(2)(j)
13. After release 2.0 is launched, we expect a largely 'cookie cutter' approach to the implementation of the solution for the Regional Consortium (a consortium of the ten smaller regions which currently uses the Bee Card ticketing system), subject to any local customer transition requirements.

Post-Canterbury Nationwide Rollout

14. While the overall scope, budget and delivery timeframes of the programme are on track, there are pressures resulting from delays with s 9(2)(b)(ii), s 9(2)(g)(i). The NTS Governance Board is managing this closely. s 9(2)(g)(i)
The programme s 9(2)(b)(ii).
15. The updated transition sequence is provided below. Timings are correct at the time of writing and are subject to further change as the programme develops through 2025. The NTS Governance Board will consider updated timings at its meeting later this month.

16. The approach for Auckland Transport (AT) reflects the agreed two-stage customer transition that is appropriate for the largest region. s 9(2)(j)

Figure 1: Transition rollout – as of January 2025

PTA	Transition timing	Modes
Canterbury (Timaru)	s 9(2)(j)	Bus
Canterbury (Greater Christchurch)		Bus & ferry
Invercargill		Bus only
Gisborne		Bus only
Bay of Plenty		Bus only
Taranaki		Bus only
Hawke's Bay		Bus only
Waikato		Bus & train
Northland		Bus only
Horizons		Bus only
Nelson		Bus only
Otago		Bus & ferry
Wellington		Bus, train, ferry
Auckland (Early Integration)		Bus, train, ferry
Auckland (Full Transition)		Bus, train, ferry

Financial update

17. The NTS programme continues to operate within the August 2022 Detailed Business Case cost and benefit estimates. These are:
- Total cost (capex and opex) of \$1.338 billion over the period 2023-2037.
 - Approximately \$530 million for design, build, and implementation, including around \$20 million for Early Integration in Auckland (see figure 2 below) which is not included in the overall \$1.338bn figure.
 - Approximately \$830 million for ongoing operational support over the period 2027 -2037.
 - The Benefit Cost Ratio for the programme also remains unchanged at 1.7.
18. The NZTA Board approved CAPEX spend is estimated at \$527.8 million, while OPEX spend is estimated to come to \$829.8 million to cover up to 12 years of operational costs.

19. Total CAPEX spend to date is 33 percent of the design and build budget. A summary of spending to-date is provided below, as at the end of January 2025:

Figure 2: breakdown of costs to end of January 2025

Spend category	Baseline as at June 2024 (\$M)	Spend as at end of January 2025 (\$M)
s 9(2)(b)(ii)		
Auckland Transport (AT) Early Integration	20.0	16.4
Public Transport Authorities	143.7	34.0
NTS Programme Delivery	112.5	56.7
s 9(2)(j)		
Totals	527.8	172.9

20. We undertook a financial deep dive in November 2024. This exercise indicated that the NTS programme can still be delivered within the budget envelope and within current projections.

s 9(2)(g)(i)

21. s 9(2)(g)(i)

Auckland's transition to the NTS

22. Auckland's transition is detailed in the attached slide pack but its transition will take place in three stages:

- Auckland Open Loop, November 2024 – Completed
- Early Integration, s 9(2)(j)
- Full Transition, s 9(2)(i)

23. Auckland City Mayor Wayne Brown has publicly indicated that he does not support the NTS.

s 9(2)(g)(i)

24. NZTA co-funded AT's 'Open Loop' project, i.e. contactless credit and debit payments elements on AT's existing (non-NTS) ticketing system, which is now live across the AT public transport network. This is the agreed first step towards Auckland's transition to the NTS.

25. The \$23 million investment (51 percent funded by the National Land Transport Fund (NLTF) with the remainder from AT) ensures that the eventual AT customer transition to the NTS in 2026 will be smoother. The final cost for delivery of the project is \$25.6 million. NZTA has not increased its funding and the additional \$2.6 million was funded by AT. s 9(2)(g)(i)

26. s 9(2)(g)(i)

Onboarding Auckland by 2026

27. Getting AT onboarded by 2026 is a key milestone for the rollout across New Zealand's largest PTA. Auckland's initial agreements have recently been fully executed, s 9(2)(g)(i)

28. s 9(2)(g)(i)

29. s 9(2)(g)(i)

Benefits, challenges and strategic risks for the programme

30. The programme recently approved its Benefits Realisation Plan, and the focus is now completing validation of the monetised benefits. This requires PTAs to confirm patronage numbers and go-live dates, as well as validation of assumptions and benefits modelling. There are three main benefit areas (outlined in slide two of the attached slide deck):

- New Zealand
- Customers
- Operators.

31. There are several key challenges for the programme which remain its areas of focus.

A national system with local requirements

32. Programme leadership is managing the tension between delivering a national solution for public transport ticketing and regional requirements reflecting the thirteen regional fare policies, data requirements, and concession fares in each region. s 9(2)(g)(i)

33. s 9(2)(g)(i)

s 9(2)(g)(i)

s 9(2)(g)(i), s 9(2)(b)(ii)

34. s 9(2)(g)(i), s 9(2)(b)(ii)

35. s 9(2)(b)(ii)

s 9(2)(g)(i)

36. The programme is carefully managing its relationships with local government stakeholders. The s 9(2)(g)(i)

- s 9(2)(g)(i)

Managing the costs of NTS

37. The detailed business case for the NTS assumes that the solution is 'out of the box' (i.e. a standard product) and a level of contactless payment card usage is achieved over time (as opposed to physical transit cards, which imposes a cost to NZTA). s 9(2)(g)(i)

- s 9(2)(g)(i)

- s 9(2)(g)(i)

- s 9(2)(g)(i)

Universal participation by PTAs

38. s 9(2)(g)(i), achieving the full benefits of the NTS platform relies on the participation of the PTAs. s 9(2)(g)(i)

39. To mitigate this, the programme and NZTA staff are undertaking regular engagement with the PTAs and central / local government to ensure that the purpose and benefits of the NTS are widely understood and embraced.

Independent Assurance

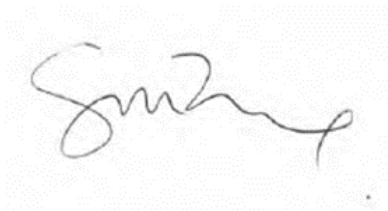
40. The NTS programme has undergone a number of independent assurance activities. This includes a Governance Review by Naomi Ferguson QSO and a Review of Phase 1 (Canterbury) Delivery by EY in May 2024; a pre-live-pilot quality assurance review of versions 0.5 and 1.0 by IQANZ (independent Quality Assurance New Zealand) in September 2024; and the most recent Gateway review – a readiness for service review of version 0.5 – in October 2024.
41. The Governance Review found, among other things, that some participants viewed success as the delivery of the solution, whereas others consider that the focus needs to be implementation in the context of public transport. The key recommendation from the review was for the programme's participants to agree a common set of success criteria. In response, the success criteria were defined and subsequently agreed and adopted by the Governance Board in October 2024.
42. The EY and IQANZ reviews found that the programme is set up well for delivery and its go-live processes but recommended that the programme incorporate clear contingency plans in case the solution is not fit for purpose. The Gateway readiness review concluded that the programme is managing delivery well, rating near-term delivery confidence as green.
43. Quality assurance reviews for releases 1.0 and 2.0 are set to occur in the first half of 2025, while the next Gateway review is proposed to take place in the second half of 2025.

Next steps

44. The programme team is working to finalise release 1.0 for the Timaru launch in s 9(2)(j), now that the pilot is live, and feedback / data is being received.
45. NZTA will provide you with further updates on the programme through regular channels such as your Weekly Report, as we approach upcoming milestones like the Timaru rollout, followed by the greater Christchurch rollout. There will be media event opportunities as part of the rollout, which will be included in your forward events calendar.

It is recommended that you:

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



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Sarina Pratley

Chief Customer and Services Officer

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Hon Chris Bishop, Minister of Transport

Date: 2025