

Report to Council – decision required

Rā Date	18 January 2024
Kaituhi Author	Sarah Loynes, Manager - Transport Policy and Programmes
Kaituku Authoriser	Chris McLay – Chief Executive
Kaupapa Subject	2024 – 2034 Long Term Plan – Approach to Regional public transport rating

Te Aronga | Purpose

1. For Council to confirm the approach to regional public transport rating to be consulted on as part of the Draft Long Term Plan 2024-2034 (LTP).

Kōrero Whakatahi | Executive Summary

2. Since it was recommended through the 2021 Public Transport Business Improvement Review, Council has looked to move away from relying on individual Territorial Authority (TA) funding for public transport outside of Hamilton and towards a region-wide approach.
3. A region-wide approach will:
 - a) Improve efficiency
 - b) Support flexibility, innovation and responsiveness
 - c) Better enable inter-district and inter-regional services
 - d) Reduce financial and contractual risk to TAs and WRC
 - e) Improve resilience
 - f) Enable investment in strategic public transport infrastructure
 - g) Improve equity of rates burden
4. In July 2022 the Council started to rate for and directly fund public transport services in Hauraki, Matamā-Piako and Thames Coromandel Districts.
5. It is now proposed to consult through the 2024 – 2034 Long Term Plan on implementing a fully regional approach from July 2025 (year two of the LTP).
6. Implementation from year two would enable refinement of the preferred option and provide greater certainty of government funding and funding criteria for public transport - which would in turn enable greater certainty of council investment in public transport required to be funded from rates.
7. Year two implementation would also enable continued engagement with Territorial Authorities (TAs) over this proposal, potentially informing refinements to the approach.
8. If following public consultation, Council decides to implement a regional approach from year two, refinements to the approach and revenue required could be made through the 2025/26 Annual Plan without needing to revisit the decision in principle to implement a regional approach.

Taunakitanga Kaimahi | Staff Recommendation:

1. That the report *2024 – 2034 Long Term Plan – Approach to Regional public transport rating* (Council 30 January 2024) be received.
2. That Council approves consultation on rating for existing and proposed public transport services from year two of the 2024 – 2034 Long Term Plan (1 July 2025) in the Otorohanga, South Waikato, Taupo (partially in the Waikato region), Waikato, Waipā, and Waitomo (partially in the Waikato region) districts, in place of those territorial authorities.
3. That subject to resolution 2, Council approves consultation on region-wide rating options for public transport to be refined and implemented from year two of the Long Term Plan 2024-34 (1 July 2025) where the net cost to Council of public transport services are apportioned as follows:
 - a) Option 1: 80 per cent of net costs fall to areas with direct access (800m of a bus stop), 20 per cent falls to areas with indirect access (5km of the bus stop) and no region-wide component.
 - b) Option 2: 80 per cent of net costs fall to areas with direct access (within 5km of a bus corridor) and 20 per cent falls region-wide. Metro area funding requirements fall to the metro area and non-metro funding requirements fall to non-metro areas. This option is identified as Council's preferred option.
 - c) Option 3: Status quo, with Waikato Regional Council continuing to rate only for service in Hamilton city, Hauraki, Matama-Piako and Thames Coromandel Districts.

Horopaki | Background

9. Currently, the Council rates for public transport services within Hamilton City, Hauraki, Matama-Piako and Thames Coromandel Districts. Outside of these areas the relevant TA is responsible for raising funds and passes these through to Regional Council. The Regional Council then commissions the services as set out in the Regional Public Transport Plan (RPTP).
10. This appears unique in New Zealand. Typically, a regional council rates for and invests in public transport region wide.
11. The current approach is inefficient and creates barriers and risks in delivering integrated public transport services, particularly outside the metro region, where we are seeing increasing demands from Councils for better public transport to connect across districts into the Metro area/larger towns. A recent example is the Te Kuiti Connector service.
12. The 2021 Public Transport Business Improvement Review recommended moving to a region-wide approach to rating for public transport.
13. In late 2021 the Council consulted with TAs about the Business Improvement Review including regionalising public transport rating and funding. The idea gained general support, but with a preference to retain a strong local voice in determining public transport investment in their Districts and to be involved in the design of the rating approach.
14. This report sets out:
 - a) Proposed options for region-wide rating to be included in the Draft Long Term Plan.
 - b) A proposal for implementation of region-wide rating for public transport from 1 July 2025.
 - c) How reform of public transport governance is strengthening local voice in public transport governance.

Te Take | Issue

15. The Council undertook a review of how PT services were delivered by the Council through the Public Transport Business Improvement Review in 2021.

16. This work identified that the current funding model was inefficient but was also likely to restrict the ability of the Council to deliver on its aspirations for public transport for the region. More of this background was included in a previous paper to council in June 2023.

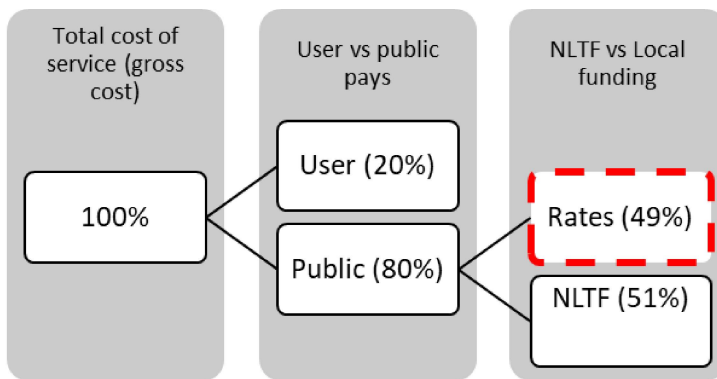
Ngā Kōwhiringa | Options and analysis

Options for region-wide rating

17. The two options presented here are a refinement of previous options reported to council. If approved, they would be consulted on alongside a status-quo / no change option. Further background is available in the report [Short-list of regional rating options for public transport services](#).

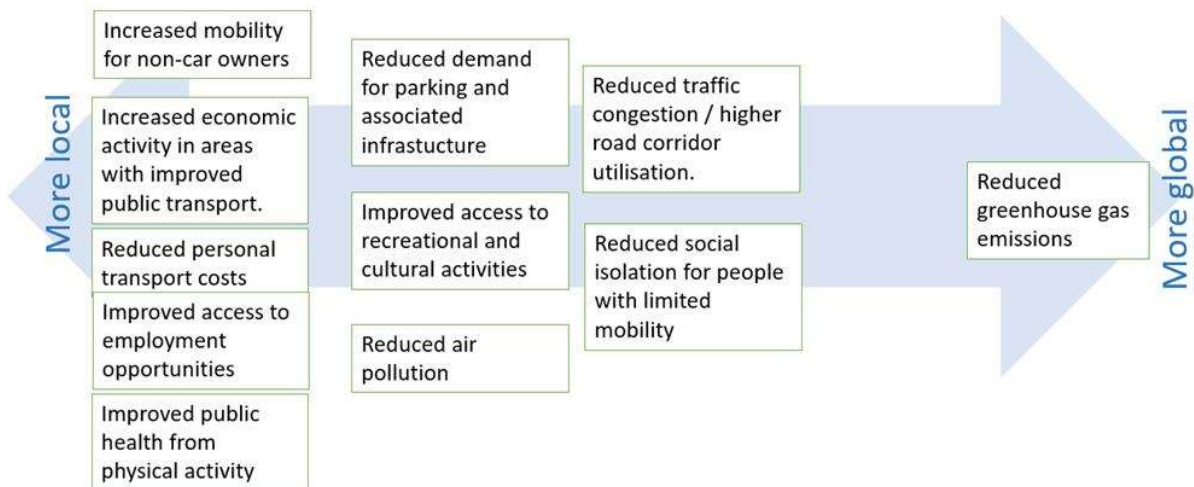
18. The scope of what is being considered here is the net investment required from rate payers after fare revenue and National Land Transport Fund (NLTF) investment provided by Waka Kotahi is accounted for, as described in Figure 1 below.

Figure 1: Public transport funding contributions



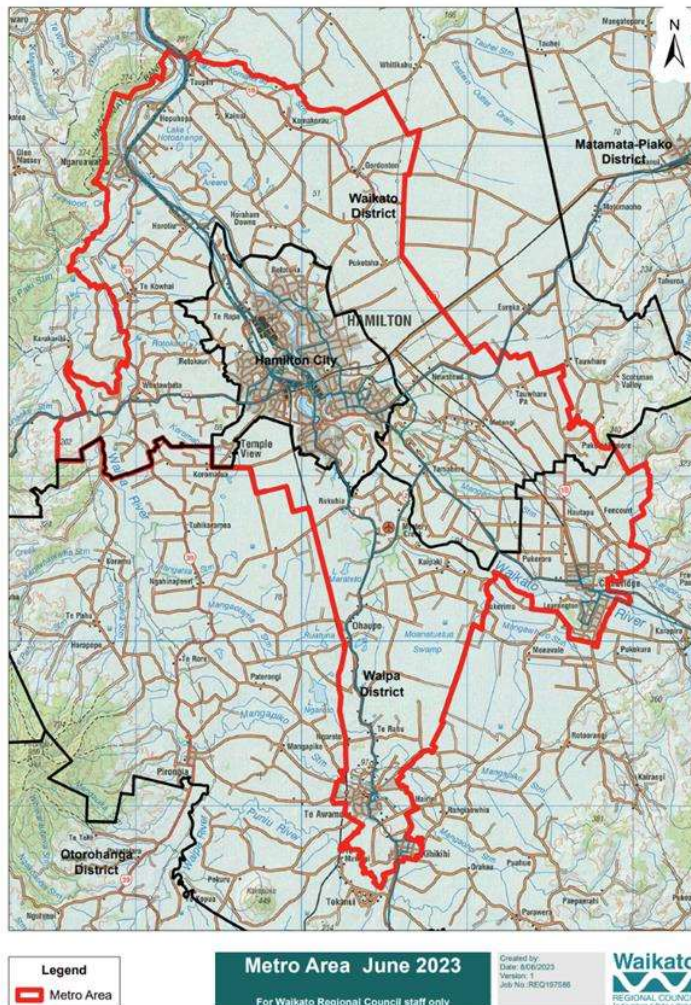
19. The options reflect different ends in a spectrum of potential options for how costs might be spread between those who benefit directly and indirectly from public transport services. The different benefits of public transport at different spatial scales are summarised in Figure 2 below:

Figure 2: Public transport benefits



20. A further consideration identifies where significant network benefits may exist – which include economic growth and productivity benefits, including those that result from public transport being more efficient with regards to the amount of road corridor and other urban space required to move people versus other modes.
21. These types of benefits are most likely to be felt in locations within the Hamilton-Waikato metro area, where higher frequencies and service levels already exist and where a ridership-oriented network is being developed under the Regional Public Transport Plan. The Hamilton-Waikato metro area is shown in Figure 3 below.

Figure 3 Metro Spatial Plan Area (note this is an example area used for this initial modelling boundaries are to be confirmed)



22. Within the metro area, it is noted that are people seeking to reduce their exposure to congestion, or resolve issues related to land use/parking through behaviour change relevant to travel:
 - a) In peripheral Metro locations, such as Tamahere, parents from surrounding areas drop children off near the bus stops here allowing them to catch the bus into Hamilton City (this would be an example of drive-up use).
 - b) Users of public transport services in the satellite towns of Te Awamutu and Cambridge, may be driven to a stop or will park near to a stop and then catch the bus into the city (again, a drive up catchment).

- c) Similar behaviour being encouraged for major employers with constrained parking. Hamilton City Council are working with Waikato Hospital to encourage staff coming from the north of the region to park at the Rotokauri hub and then make use of the Comet bus service. This is another example of a drive-up solution, but this time potentially from a location much further afield.
23. There are also wider benefits as outlined in the Figure above, for example:
- a) In the metro area, but particularly in Hamilton City, peak hour congestion has increasing impacts on journey times, air pollution, amenity, and for some of the key corridors coming into the city, increasing safety issues. Congestion related impacts tend to rise exponentially as congestion builds. Therefore, every car trip removed from the network has a much bigger impact in a congested network and this relief benefits all the people who travel into the City (or town), with more including those who may commute in from areas without any bus service.
 - b) In areas without congestion or corridor constraints, there are wider benefits associated with transport services that provide connectivity. This benefits businesses by bringing people into towns who may not otherwise travel and can also benefit the wider community through providing access to healthcare, employment and education for those who cannot drive. For example, services like the Te Kuiti Connector, without which, young students in the south of the region could not access education offered by Wintec. The PT service in Thames provides a vital connection for children to schools and for the wider public to the Hospital.
24. The above examples and considerations have informed the consideration of who benefits from having public transport. Understanding this helps in the consideration of how the rates should be collected. In each case the 'access' approach is used as a proxy for the benefits of PT. In some approaches, this concentrates rates to people who are only within 800m of a bus stop and 5km of a bus corridor. In others a regional component is added to reflect the wider benefits to the whole community.

Options information – methodology and fairness

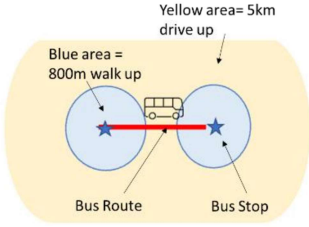
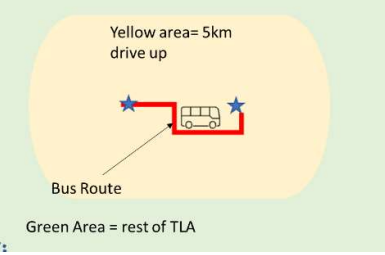
25. The options being put forward are:
- a) Option 1: 80 per cent of net costs fall to areas with direct access (800m of a bus stop), 20 per cent falls to areas with indirect access (5km of the bus stop) and no region-wide component.
 - b) Option 2: 80 per cent of net costs fall to areas with direct access (within 5km drive up of a bus route) and 20 per cent falls region-wide. Metro area funding requirements fall to the metro area and non-metro funding requirements fall to non-metro areas.
26. There are two steps to deriving an appropriate approach to rating:
- a) Cost allocation by area – reflecting the level of service and the travel behaviour in the area (e.g. commuter routes into the metro where drive-up may be more common).
 - b) Allocate rates at property level - Property allocation based on access (serviced/direct benefit) or wider benefit (indirect).
27. The cost allocation by area considers the proposed PT investment in each TLA and, for the metro option - within the Metro area. The cost allocation by area ensures that a person living in Hauraki, for example, who has only 6 services per day is not paying the same as a person in Hamilton with 20 services per day. Similarly, it identifies the metro area costs as being where people living and working in the metro all benefit from PT in that area, as the total network provides opportunity for improved travel and reduced congestion.
28. The cost allocation also needs to appropriately allocate general overheads that all PT services benefit from, e.g. contract delivery oversight (are the buses on time, are they clean), marketing and promotion (new timetables, updating the website, providing data to transit apps), customer service (e.g. call centre staff).

29. These cost allocations happen prior to any further allocation of costs to ratepayers based on access benefit or wider benefit.

30. Table 1 shows the method between the current (status quo) approach and the two options.

Table 1 – Methodology, fairness for each option

Step 1 – Cost allocation by area to reflect Levels of Service and Travel Behavior		
Status Quo	Option 1 – Access Approach Cost allocation (no metro)	Option 2- Area approach Cost allocation (with metro)
<p>Currently undertaken by TLA with pro rata shares for contracted services calculated for services that cross boundaries.</p> <p>Only applied to Hamilton City, Hauraki, Matamata Piako and Thames Coromandel. Eastern connector service.</p>		
	<p>In this approach costs are allocated by area and Level of Service, in the same way as the Status Quo. To simplify for this consultation some areas have been grouped. Exact calculations will be undertaken for the preferred option.</p>	<p>In this approach costs for PT related to the metro area are isolated from the wider Districts. This approach means that those people travelling within the metro (for example those who commute from Cambridge, Tamahere into the city) all pay towards the PT in the area. This reflects that the metro area generally has higher Levels of Service for PT overall and that there are existing habits of informal park and ride or drive-up and drop off. This approach also acknowledges that there are greater decongestion benefits within the metro that all users experience on key corridors. Outside of the metro – cost allocation is the same as Option 1. To simplify for this consultation some areas have been grouped. Exact calculations will be undertaken for the preferred option.</p>
Step 2 – Allocate rates at property level		
Status Quo	Option 1 – Access only approach	Option 2 Metro and Regional Approach

<p>Current status quo –</p> <p>Within Hamilton – if you are within 800m of a bus stop you pay 80% of the cost. Outside of 800m you pay 20% towards the cost.</p> <p>In Matamata Piako, Hauraki, Thames Coromandel if you are within and urban area as defined by Stats NZ you pay 80% and the rest of the District pays 20%</p>	 <p>If you are within 800m of a bus stop you pay 80%, if you are within 5km of a bus route, you would pay 20%.</p>	 <p>In this case the areas within the metro pay towards the total cost of all metro PT services. Outside of the metro costs are calculated in relation to the Level of Service outside the metro area within the TLA.</p> <p>For both areas (within metro and outside metro) 80% of the cost is then allocated to users within 5km (drive up or walk up) with the remainder (20%) paid across the TLA/metro.</p>
<p>How would this appear on the rates bill</p>		
<p>Status Quo</p>	<p>Option 1 – Access only approach</p>	<p>Option 2 - Metro and Regional Approach</p>
<p>In Hamilton City:</p> <ul style="list-style-type: none"> • Serviced by passenger transport network • Indirect benefit <p>In Hauraki, Matamata Piako, Thames Coromandel:</p> <ul style="list-style-type: none"> • Direct benefit • Indirect benefit 	<p>In all TLAs:</p> <ul style="list-style-type: none"> • Serviced by passenger transport network • Direct benefit 	<p>In Metro Areas:</p> <ul style="list-style-type: none"> • Serviced by metro passenger transport network • Indirect Benefit <p>Outside of Metro:</p> <ul style="list-style-type: none"> • Direct benefit • Indirect benefit
<p>Fairness</p>		
<p>The costs are fairly allocated in relation to the level of service.</p> <p>This is then split depending upon whether you are in Hamilton City and within walking distance but also allocated an indirect benefit to everyone in Hamilton.</p> <p>Outside of Hamilton people living in more urban settlements pay more, but every property in the district pays towards PT. This approach does act in a proxy way, as the number of bus stops (and property) on the existing routes outside of townships will be limited. In the areas we currently rate.</p>	<p>Only people with some level of access to PT would pay. This concentrates the costs on a relatively small number of properties despite a significant benefit to others – particularly in more congested locations.</p> <p>There is no recognition that there are potentially significant network and other benefits, including for emission reduction, economic and social etc. that are region wide.</p> <p>Forward network planning in areas that are without direct or indirect access (un-serviced) would not be making a funding contribution and so future network planning would rely on cross-subsidy from serviced areas.</p>	<p>Properties with direct access (within 800m) are not distinguished from properties with indirect access (5km), this could mean that residents with direct access are not paying enough relative to properties with indirect access. However, in the Metro area this is likely to be less of an issue.</p> <p>Spreading the higher cost of the metro network over those who are most likely to benefit from decongestion effects of investment makes more sense. The areas that benefit from lower traffic volumes pay more. This area is also subject to a Business Case that envisages considerable investment in public transport, including park and ride facilities that will benefit those who regularly commute from other towns/the edge of the city. Over time and in line with Level of Service changes</p>

<p>This model would not perform well if expanded, this is because in areas like Waikato and Waipa there is much more use of services where people drive and drop people off (e.g. the Tamahere example).</p>		<p>the metro boundary may be adjusted to reflect changed travel behavior.</p> <p>Significant network benefits are expected to be felt across the metro area, by both public transport users and non-users. Network benefits are likely to be much less pronounced outside these areas where urban densities and public transport services are less. This is reflected in the cost allocated to those users.</p>
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Impact on rating for different areas under different options

31. The current modelling is based on a significant uplift in costs by 2025/26 (Year 2). This is due to an anticipated increase in trial services that have been developed and requested by partner Councils. The list below provides information on the scale of requested trials:

- a) Eastern Districts (Hauraki, Matamata-Piako, Thames Coromandel): improved services for the existing Eastern Connector, more coverage services within Districts themselves.
- b) North and West Waikato (non-metro): Raglan on-demand town service, Raglan regional service upgrades, Te Kauwhata and Pokeno service increases, Port Waikato to Pukekohe (share with Auckland), plus some additional north Waikato coverage services.
- c) Waikato District (Metro): Matangi and Tamahere services and Te Kowhai to Hamilton
- d) Waipa District (Metro): Service improvements to both Cambridge and Te Awamutu to Hamilton services, trial service connection Te Awamutu and Cambridge, plus on demand in Cambridge and elsewhere.
- e) Hamilton City (Metro): Meteor service increasing to 10 min frequency, new services to meet growth in Ruakura, Rotokauri , Peacocke, Rotorua Rocket and use of on-demand to provide coverage (as the network moves away from providing coverage with fixed-line PT services)

32. The above trials add to the overall net contracted PT budget for the region by around \$3m. For context, the net cost of the PT services we currently operate is around \$10m. The implementation of these trials lifts the contracted service budget by around a third.

33. The likelihood of all of these trials receiving funding is considered to be low. However, for the purpose of modelling, these trial costs have been included. These figures are therefore highly conservative.

34. The numbers developed for the analysis are aggregated in some areas to provide ease of analysis. These will also be refined through Year 1 of the LTP prior to being finalised.

35. Table 2 below provides an indication of the rating impacts between the approaches at a high level, additional more specific examples are included in Attachment 1, these pick up on some nuances that will result from each option.

Table 2 Rating Impacts between approaches

STATUS QUO				Commentary
HAMILTON		EAST WAIKATO		These numbers are to be confirmed - they are for comparison purposes only - they could fall due to changes in Low Cost Low Risk bid to central government
800m walk up	District-wide	Stats NZ urban defined	District-wide	
\$32.00	\$6.21	\$9.11	\$0.81	
OPTION 1 - Access				Commentary
HAMILTON		EAST WAIKATO		The move to an access focussed approach concentrates more cost to those within walking distance even in Hamilton. The 5km buffer makes a small difference.
800m walk up	5km Drive up	800m walk up	5km Drive up	
\$31.81	\$6.02	\$16.16	\$1.59	
OPTION 2				Commentary
METRO (HAMILTON/PARTS OF WAIPA AND WAIKATO)		EAST WAIKATO (MPDC/HAURAKI/TCDC)		The metro area approach would mean that Hamilton ratepayers would have a reduced rate. This is as a result of more properties paying the metro rate with parts of Waipa and Waikato District paying a greater share for all the buses in metro area.
Within 5km	District-wide	Within 5km	District-wide	
\$26.74	\$4.87	\$6.68	\$0.34	

- 36. The above patterns of rating implications tend to hold true across the various geographies. In all cases Option 1 concentrates rates on fewer properties within the 800m and 5km walk up boundaries, resulting in fairly significant values being required per \$100k CV.
- 37. The majority of examples assessed indicate this would be the case for a significant proportion of existing ratepaying areas that this Council collects.
- 38. In most cases, Option 2 delivers a more balanced approach that would be in line with the existing Status Quo in areas we currently rate and reflects the greater cost (and benefits) that accrue to areas within the Metro.

Year two implementation (1 July 2025)

- 39. Current uncertainty over the Government Policy Statement for Land Transport (GPS) regarding public transport means that rates-funded investment required from Council is uncertain.
- 40. Investment from NLTF is typically at 51% of the net cost (the cost after revenue is accounted for) with 49% of the net cost paid for by the local authority responsible. This is referred to as the 'local share'. This is the same arrangement for all transport investment by TAs.
- 41. Transport investment is not automatically eligible for investment from the NLTF. Subject to availability, only investments that are consistent with the GPS as evidenced through a business case are eligible.
- 42. The incoming government is expected to issue a new GPS in the first half of 2024.
- 43. Statements issued by the Minister of Transport suggest that there may be a significant change from the current GPS, particularly as it relates to walking, cycling and public transport investment.
- 44. While well patronised core services are expected to receive NLTF investment, there is uncertainty over funding for less well-established services, in particular trials and regional services that have more social objectives and tend to have a higher costs per boarding.
- 45. If a service does not receive NLTF investment the choice needs to be made whether to not implement (or withdraw) the service, or to fully fund the service locally. This has a significant influence over the revenue required and therefore rates that would need to be struck.

46. It is recommended that the Council consult through the Long Term Plan, but with a view to implementing the regional rating approach from year two.
47. This would be on the basis of the currently preferred options (set out in paragraph 25 (a, b) above) and indicative rates impacts that are subject to refinement prior to implementation.
48. If, after the consultation, Council decided rate regionally from year two, this decision would not need to be revisited, but the approach could be refined on the basis of feedback received through Consultation from the public and TAs.
49. There is also likely to be greater financial certainty as the Government's approach to public transport investment will be better understood. Making the likely funds and rates required much more certain.
50. Refinement to the rating model and financials could be reflected through the 2025/26 Annual Plan but the principal decision to implement a regional approach would not be subject to further public consultation.
51. In this scenario, WRC staff will continue to engage directly with Territorial Authorities about the proposal to rate and fund public transport region-wide through January and February 2024.
52. This will provide an opportunity to receive feedback directly from partners that will inform the council of TA appetite for the options proposed and may inform further refinements to a rating approach.
53. Early engagement will better facilitate more informed submissions by TAs on WRC Long Term Plan and, for those affected it would enable them to foreshadow a potential change to their revenue requirements from 2025.

Strengthening local voice

54. To ensure a strong local voice the governance arrangement for public transport in the Region were reformed in establishing the responsible committees for the 2022-25 triennium.
55. While Council remains the public transport authority, joint committees with Territorial Authorities were given decision-making roles on public transport - informing the RPTP, changes to the RPTP (i.e., variations) implementation priorities and monitoring implementation.
56. As set out in Figure 4 below, the two committees that are responsible for this are:
 - a) The Future Proof Public Transport Subcommittee for Waipā, Waikato, Matamata-Piako Districts and Hamilton City - as well as the accountability function, the committee has the ability to make minor variations to the plan, e.g. a change to a bus route, timetables or trial service. This has the benefit of being well-aligned if we moved to Option 2.
 - b) For the rest of the Region and with over-all responsibility for the RPTP is the Regional Transport Committee (RTC). While it acts on advice of the Future Proof PT Subcommittee for that part of the region, it is also the channel for preparing, reviewing and making any significant changes to the RPTP that get recommended to the Regional Council.
57. Currently, these committees already work together to prioritise significant projects in the Regional Land Transport Plan. The Councillors and Mayors that represent the TLAs on these committees are well aware of the general rates issues in their Districts.
58. Any changes that increase costs need to be reflected in WRC budgets and rating through their Long Term Plan or by way of changed through an Annual Plan.

59. The rating model when combined with the Governance structures identified above provides a good balance of flexibility for delivery of public transport services by the Council whilst still allowing strong governance and oversight from TLAs.

Territorial Authority input into design of the approach to rating

60. In June 2023 the Council approved a short list of options for regional rating for targeted engagement with the region's territorial authorities. This engagement is ongoing and expected to go up to mid-February 2024.

61. Council staff have met with Hamilton City staff and have been informed that as Hamilton City are already part of the Council's rating approach they will provide a formal submission to the LTP consultation on their preferred option.

62. Meetings and presentations arranged with the following Councils:

- a) Waikato District Council: 31st January 2024
- b) Waipa District Council: 13th February 2024
- c) Thames Coromandel District Council (Executive Leadership Team): 18th January 2024
- d) Matamata Piako District Council: 31st January 2024
- e) Otorohonga District Council: 13th February

63. Waitomo District Council have expressed interest but have yet to provide a date or preference for a meeting. We have not yet received a response from Taupo, South Waikato or Waitomo Districts.

Te Urutai ki te Hurihanga Āhuarangi | Adaptation to Climate Change

64. This will have no direct impact on the ability of the Council or region to proactively respond to the impacts of climate change now or in the future.

65. Subject to consultation and adoption through the 2024 – 2034 Long Term Plan a regional approach to funding public transport investment will enable better integrated and more responsive public transport service provisioning. This will have indirect benefits by providing an alternative to carbon intensive and increasingly costly private transport options facilitating a just transition to a low emission transport system.

66. The decision is not sensitive to higher emission scenarios or more rapid climate changes.

Te Whakamauru – te whakaheke i ngā pānga ki te āhuarangi | Mitigation – reducing impacts on the climate

67. This decision is likely to result in a reduction in greenhouse gas emissions. It makes the funding model for PT more sustainable in long term. Transport emissions comprise 16 per cent of regional greenhouse gas emissions and more than 60 per cent of emissions within the Hamilton City area. Providing efficient and effective public transport is an important step to enabling transport emission reduction.

Te Aromatawai i te Hiranga | Assessment of Significance

68. Having regard to the decision making provisions in the LGA and Council's *Significance and Engagement Policy*, a decision in accordance with the recommendations is considered to have a high degree of significance. Staff are of the opinion that the content and recommendations in this report are consistent with the decision making requirements contained in Part Six of the LGA and that the decision making requirements of the LGA have been met.

Te Horopaki ā-ture | Legislative context

69. The relevant legislation is the Land Transport Management Act 2003 (LTMA) and Local Government Act 2002 (LGA).
70. Under the LTMA, regional councils are responsible for, among other things, provisioning public transport services.
71. The LGA requires regional councils to prepare long-term plans that include setting rates to fund the services they provide, such as public transport. The rates must be set in a way that is fair and reasonable, taking into account the ability of ratepayers to pay. The council must also consult with the community before setting rates.
72. Furthermore, the LGA allows council to set different rates for different groups of ratepayers, as long as the rates are still considered fair and reasonable.

Kōwhiringa i Manakohia | Preferred Option

73. It is recommended that Council include a consultation on regional rating in accordance with the Options set out in this report.
74. It is recommended that this consultation is focussed on the principle of the rating approach, with suitable examples. However, implementation will occur in Year 2 (from July 1 2025). This reflects uncertainty over funding requirements and further analysis required of appropriate rating areas, particularly for Option 2.
75. Option 2 is the preferred option based on the modelling and the ability to appropriately assign costs to those who benefit.

Ngā Whaiwhakaaro Kaupapahere | Policy Considerations

76. To the best of the writer's knowledge, this decision is not significantly inconsistent with, nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by Council or any plan required by the LGA or any other enactment.

Te Tiriti o Waitangi | The Treaty of Waitangi

77. The decision will not affect Council's obligations under the Treaty.

Whakakapinga | Conclusion

78. This paper has set out the approach to regional rating based on two options. These options are shown to have quite different impacts on rates for properties when compared to the current status quo approach in areas which Council currently rates for PT.
79. The option to move to a regional funding model for public transport services will have benefits in how Council delivers PT in the region, removing inefficiencies caused by the need to align and the administer multiple funding agreements. It provides greater certainty of funding for all partners. However, the approach will have different impacts and these are set out in this paper. Council has indicated a preference to consult on three options.
80. Further consultation with TAs will continue through January and February 2024 allowing for some further shaping of the consultation in the LTP.
81. The implementation of either regionalised model will be undertaken in Year 2 to ensure more certainty of costs to be allocated.

Āpitiwhanga | Attachments

1. Attachment 1 Example Rating Scenarios – ([Doc#28271803](#))

Ngā Tohutoro | References

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1. Improving our public transport business: Implementation strategy for the Waikato Regional Council's Public Transport Business Improvement Review, April 2022 – ([Doc# 23851399](#))
2. Report to Council, Short-list of regional rating options for public transport service, June 2003 - ([Doc# 263245047](#))

Attachment 1: Example Rating Scenarios

NOTE: The figures in this section are illustrative and cannot be confirmed until we receive further advice on the funding bid to the National Land Transport Fund.

Hamilton City

A resident in Hamilton City living within 800m of a bus stop with a property worth \$1m

CV/\$100k

STATUS QUO	OPTION 1	OPTION 2	In this example the walk-up rate increases even in Hamilton City because there is now an 80% cost allocation to those within 800m and the remaining 20% is only paid by those within 5km.
Walk up 800m	800m walk up	Within 5km	
\$32.00	\$31.81	\$26.74	

For a property worth \$1m

STATUS QUO	OPTION 1	OPTION 2
Walk up 800m	800m walk up	Within 5km
\$320.01	\$318.15	\$267.36

Morrinsville

A resident in Morrinsville living within 800m of a bus stop with a property worth \$1m

CV/\$100k

STATUS QUO	OPTION 1	OPTION 2	In this example the different approaches to rating result in a large increase under Option 1. Option 2 results in very similar values as the Status Quo.
Walk up 800m	800m walk up	Within 5km	
\$3.96	\$9.52	\$3.69	

For a property worth \$1m

STATUS QUO	OPTION 1	OPTION 2
Walk up 800m	800m walk up	Within 5km
\$39.64	\$95.19	\$36.92

A resident living on the edge of Morrinsville, outside of the current urban statistical area but within 5km of a PT route

CV/\$100k

STATUS QUO	OPTION 1	OPTION 2	This example shows a change for a property not currently rated as being within the current defined stats NZ urban area in Morrinsville but which would be within 5km of a bus route. This property would see an increase in rates under both Options, but a lower change under Option 1.
District wide	5km drive up	Within 5km	
\$0.35	\$0.84	\$3.69	

For a property worth \$1m

STATUS QUO	OPTION 1	OPTION 2
District wide	5km drive up	Within 5km
\$3.52	\$1.59	\$0.34

Raglan

A person living in Raglan within 800m of a bus stop with a house worth \$2m

CV/\$100k

STATUS QUO	OPTION 1	OPTION 2	Under Option 1, the cost of Waikato services is spread over the TLA, this means that Raglan properties would pay the same as those in Huntly and Pokeno. Under the metro approach, services going to into Hamilton from the metro area (including Huntly, Te Kowhai, Tamahere etc are paid for through property in the Metro area. This leaves Raglan paying for more rural services along with Pokeno
Walk up 800m	800m walk up	Within 5km	
UNKNOWN RATED LOCALLY	\$42.35	\$3.46	

For a property worth \$2m

STATUS QUO	OPTION 1	OPTION 2	Under Option 1 that property would see a concentrated amount placed upon them. Whilst it isn't confirmed, it is likely that PT contributions that we currently collect are part of the Uniform General Rate, typically part of a transport/roading budget. Under Option 2 - payment is spread over a wider area of access (representing drive up opportunity)
Walk up 800m	800m walk up	Within 5km	
UNKNOWN RATED LOCALLY	\$847.02	\$69.10	

Te Kuiti

A person living in Te Kuiti within 800m of a bus stop in a property worth \$1m

CV/\$100k

STATUS QUO	OPTION 1	OPTION 2	Under Option 1 that property would see a concentrated amount placed upon them. Whilst it isn't confirmed, it is likely that PT contributions that we currently collect are part of the Uniform General Rate, typically part of a transport/roading budget. Under Option 2 - payment is spread over a wider area of access (representing drive up opportunity)
	800m walk up	Within 5km	
UNKNOWN RATED LOCALLY	\$18.99	\$9.03	

For a property worth \$1m

STATUS QUO	OPTION 1	OPTION 2	Under Option 1 no payment would be made, under Option 2 a region wide amount is included pro-rata to reflect the LOS in the District.
	800m walk up	Within 5km	
UNKNOWN RATED LOCALLY	\$189.93	\$90.27	

A person living more than 5km from a bus route in Te Kuiti in a property worth \$1m

CV/\$100k

STATUS QUO	OPTION 1	OPTION 2	Under Option 1 no payment would be made, under Option 2 a region wide amount is included pro-rata to reflect the LOS in the District.
	N/A	Within 5km	
UNKNOWN RATED LOCALLY	\$0.00	\$0.62	

For a property worth \$1m

STATUS QUO	OPTION 1	OPTION 2
	5km drive up	Within 5km

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UNKNOWN LOCALLY	RATED	\$0.00	\$6.24	
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