# Budget 2022 - public transport funding implications

Supplementary Paper: Council 24 May 2022

### Purpose

1. The purpose of this paper is to provide Council information on aspects of the Government’s Budget 2022 that have possible implications for the funding of public transport and the Council’s Annual Plan 2022/23.

### Recommendation

**That Council:**

1. **Receives the information set out in the ‘Budget 2022 Public Transport Funding Implications’ supplementary agenda paper ahead of the Annual Plan 2022/23 deliberations**

### Background

1. The Council Annual Plan 2022/23 deliberations report was drafted ahead of the Government’s Budget 2022 announcements on 19 May 2022. Budget 2022 announcements included significant investment in initiatives aimed at reducing emissions and addressing rising costs of living. These included:

$104m funding to enable public transport concessions of 50% for Community Service Card holders over four years

$61m over four years to respond to driver shortages

$40m over four years to assist in decarbonising the public transport system through low or zero emission buses or associated investment

$10m additional funding over four years for the Crown’s national SuperGold scheme

$27m funding for further two month extension in the 50% reduction in public transport fares (out to 31 August 2022). Funding to be provided entirely in the 2022/23 period.

1. At this stage, a comprehensive assessment of the implications of Budget 2022 for Canterbury on the public transport work programme and the Annual Plan 2022/23 cannot be confirmed as there are details still to be established. This includes how the different funding streams will be made available, what criteria will apply and over what periods will they apply. Given this uncertainty, definitive funding amounts cannot be accounted for within the Annual Plan 2022/23 budget.
2. An initial assessment of potential implications is included below so that Council can deliberate on the Annual Plan 2022/23, including the options for bus fare structure.

### Annual Plan 2022/23 deliberations - considerations

1. Page 133 of the Council Annual Plan 2022/23 deliberations report includes staff advice on the fare review options. The targeted fare concession for Community Services Card (CSC) holders, provides a 50% fare reduction off existing public transport fare charges. This provides a significant cost reduction for this cohort of the community.
2. Based on the submission themes on bus fare structure proposals, outcomes sought from Council and external factors including information on the 50% concession on current fares for CSC holders, the hybrid option (alternative option B) remains the staff recommended option. The hybrid option enhances the Government’s 50% CSC holders concession by extending the concession further, down to $1 across all zones.
3. Staff suggest a minor revision to recommendation 6.1 in the Annual Plan 2022/23 deliberations report to clarify the $1 flat fare would be a further reduction on the Government’s 50% concession for CSC holders. Suggested text to include is underlined below.

6.1. approves Alternative Option B: Hybrid option (staff preferred option) – fares reduction from existing fares and concessions, so that fares are as follows: Community Services Card Holders - $1 Flat Fare (a further reduction on the Government 50% Community Services Card concession), U25, tertiary students, Total Mobility users - $1 Flat Fare, remaining customers - $2 Flat Fare

1. It is likely that the 50% CSC holder concession will reduce the cost to Environment Canterbury in the fares option presented. However, Council cannot account for a defined amount at this time given the present uncertainty of the funding implications.
2. Staff note that if any savings are acquired though Budget 2022 initiatives that this should be used to replenish public transport reserves to provide a financial buffer.