

Council Extraordinary Agenda 7 October 2026

Meeting will be held at the Otago Regional Council, Council Chamber, Aonui, 180 High Street, Dunedin, Otago. This meeting will be live streamed - [ORC YouTube channel](#).



Members:

- Cr Hilary Calvert (Chair)
- Cr Kevin Malcolm (Deputy Chair)
- Cr Robbie Byars
- Cr Chanel Gardner
- Cr Neil Gillespie
- Cr Matt Hollyer
- Cr Gary Kelliher
- Cr Michael Laws
- Cr Andrew Noone
- Cr Gretchen Robertson
- Cr Alan Somerville
- Cr Kate Wilson

Senior Officer: Richard Saunders, Chief Executive
Meeting Support: Kylie Darragh, Governance Support Officer

07 October 2026 03:30 PM

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1. WELCOME	
2. APOLOGIES	
No apologies received at the time of printing.	
3. CONFIRMATION OF AGENDA	
The agenda to be confirmed as published.	
4. DECLARATIONS OF INTEREST	
Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have. The Register of Member's Pecuniary Interests can be found on the ORC Website.	
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5.1 [Decision on Zone Two Child Fares](#) 3

The purpose of this report is to seek a Council decision on the child and youth concession fares for public transport trips that fall into the newly created Zone 2, or that cross two zones, in relation to the Dunedin bus network.

6. NOTICES OF MOTION

No notices of motion had been submitted at the time of publishing.

7. CLOSURE

5.1. Decision on Zone Two Child Fares

Prepared for:	Council
Report No.	TRN2623
Activity:	Public Transport
Author:	Anita Dawe (General Manager, Regional Planning and Transport)
Endorsed by:	Richard Saunders (Chief Executive)
Date:	7 October 2026
Portfolio Leads:	Cr Hollyer and Cr Somerville, Transport

PURPOSE

- [1] The purpose of this report is to seek a Council decision on the child and youth concession fares for public transport trips that fall into the newly created Zone 2, or that cross two zones, in relation to the Dunedin bus network.

EXECUTIVE SUMMARY

- [2] Decisions on fares and zones were made by Council on the 23rd of September 2026. Those decisions have resulted in some uncertainty with respect to concessions and the corresponding fares for two zone travel.
- [3] Staff consider that Council could elect to retain the existing 1 zone fare value for child and youth two zone travel, to minimise disruption to passengers and maintain existing revenue until Long-Term Plan options are considered.
- [4] There is some risk with doing so, as providing for a greater child and youth discount than set out in the Regional Public Transport Plan will create technical noncompliance with that Plan.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
 - 2) **Approves** the retention of child and youth fares for two zone travel at \$1.50 (current one zone travel value) until 30 June 2027.
 - 3) **Approves** the application of Fare Policy F P3 in relation to community services card concessions, which results in a fare of \$2 for two zone travel.
 - 4) **Notes** that Resolution 2 results in a concession that is inconsistent with Fare Policy F P3 in the Regional Public Transport Plan 2025-35.
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BACKGROUND

- [5] After consultation in June this year on fares, zones and fare capping, Council endorsed a new four zone model to apply to the Dunedin public transport network from 1 November 2026. The result of the decision is that 99% of the existing Dunedin network will fall into Zone 1, with a small number of outlying areas such as Karitane, Waikouaiti and Palmerston falling into Zone 2. Further zones extend along the north coast to Ōamaru, providing the ability to have a \$10 Adult Bee Card for the full trip from Ōamaru to Dunedin, and allowing appropriate charging for shorter journeys along the new route.
- [6] The four-zone model will mean retaining an Adult Bee Card fare of \$2.50 for Zone 1, \$4 for Zone 2 (which represents an increase from the flat fare of \$2.50), \$7.50 for Zone 3 and Zone 4 will have a \$10 fare.
- [7] The 2025 – 35 Regional Public Transport Plan (RPTP), which was adopted in June 2025, includes a suite of fare policies that set out ORC's approach to setting fares for public transport services.
- [8] Policy F P3 *Discounted Travel for transport disadvantaged groups* sets out a range of concessions that apply to an Adult base fare, which is in turn set by Policy F P1 in the RPTP.

Concession	Concession discount
Infant (under 5 years)	100% (free)
Child (age 5 to 12)	40%
Youth (age 13 to 18)	40%
Community Services Card	50%
SuperGold Card	100% (free) in off-peak only

- [9] When Policy F P3 is combined with the September decision that increased the base fare for a Zone 2 traveller from the current \$2.50 to \$4, the immediate impact was that there was an increase in fares paid by concession holders. A child and youth fare in Zone 2 or across two zones would increase to \$2.40 from the current \$1.50, and a community services card holders' fare would increase to \$2 from the current \$1.25.
- [10] The same issue is not encountered for Zone 3 or 4 travellers because the fares are all new, and the standard concessions will be applied in accordance with the policy.

DISCUSSION

- [11] After the Council decisions on fares and zones in September, further consideration of concession fares for two zone travel was considered necessary, to ensure clarity of the broader impact of the change. In particular Council is being asked to consider whether the existing Zone 2 concessions should be retained at their current dollar value from 1

November. This would be considered a temporary measure which would allow for consideration of child/youth fare options as part of the Long Term Plan 2027 – 37.

- [12] Fare policy F P3 sets out the discounts off the adult base fare. Retaining child and youth fares at \$1.50, which is a 62.5% discount, will be inconsistent with F P3 by providing a greater discount than provided for in the policy.
- [13] Retaining the community services card fares at \$1.25 would breach F P3 by providing a greater discount than provided for in the plan. NZTA advice is that discounts of greater than 50% are inconsistent with the Crown Public Transport Concessions Funding Policy and are therefore not supported. The policy states that Public Transport Authorities must provide half-price travel for Community Services Card Holders.
- [14] There is some policy support from the RPTP for an approach that might keep child and youth concessions for Zone 2 travel at the same Zone 1 dollar value. Policy *F P5 New Funded Concessions* provides for new, funded concessions if Council considers that
 - The concession will not have a significant negative financial or operational impact;
 - The concession does not undermine the effectiveness or integrity of the wider fare structure; and
 - The concession aligns with NZTA's fares and pricing policy settings and guidance.
- [15] While staff are not proposing a new funded concession, retaining the dollar value fares for child and youth passengers for travel into Zone 2, or across two zones will not have a significant negative financial or operational impact. In this case, it is likely that retaining child and youth fares at their dollar value will have a positive operational impact by retaining existing patronage.
- [16] In terms of the financial impact, staff have assessed that the result of retaining child and youth fares at their current value will likely be revenue neutral for the balance of the 26/27 year. This acknowledges that while there would be some forgone revenue that the higher child and youth fares would have resulted in, there is likely to be a corresponding reduction in patronage.
- [17] For completeness, should there be no reduction in patronage, based on existing patronage numbers, staff have estimated the foregone revenue in the order of \$9,500 per annum. The foregone revenue period would be 8 months, and therefore in the order of \$6,300.
- [18] Staff consider that retaining the two-zone child and youth fares would slightly, but not significantly, undermine integrity of the wider fare structure.
- [19] Council has requested that staff develop options to better support child and youth passengers through fare capping. These options will be considered as part of the Long-Term Plan (LTP). This would enable the retention of the existing child/youth fare to be a temporary measure, until decisions on LTP have been made.

- [20] The third aspect of F P5 is alignment with NZTA’s fares and pricing policy settings and guidance. While there is a clear drive to achieve better private share, there is no specific guidance on child and youth concessions, and no NZTA funding available for those fare types.
- [21] Retaining the dollar value will not impact private share in a negative way compared to current fares as it will be revenue and cost neutral. The introduction of zones 3 and 4 may have an impact on private share more directly, but overall, staff consider there is no inconsistency with NZTA guidelines.
- [22] Generally, staff consider that retaining the dollar value for two zone travel would have a marginally positive impact on child and youth passengers to access school, sport and other activities, without having a financial impact (compared to current fares)

OPTIONS

- [23] Staff consider there are three options available to Council.
- [24] **Option 1**
Council could choose to retain consistency with F P3 for all fares. This would mean child and youth fares for two zone travel would increase from 1 November, to \$2.40, and for Community Card concession, to \$2.00. This option ensures compliance with the Regional Public Transport Plan 2025- 35.

	Bee Card Fares				
	Adult	Child	Youth	CCC	SGC (peak)
1 zone	\$2.50	\$1.50	\$1.50	\$1.25	\$2.50
2 zones	\$4.00	\$2.40	\$2.40	\$2.00	\$4.00
3 zones	\$7.50	\$4.50	\$4.50	\$3.75	\$7.50
4 zones	\$10.00	\$6.00	\$6.00	\$5.00	\$10.00

The advantage of this option is that it complies with the Regional Public Transport Plan, it ensures consistency in fares, and it will generate additional revenue.

The disadvantages are that there may be members of the public who were unaware of the price increase, it may impact patronage and it could impact social connections, including school attendance when cost of living pressures are present.

- [25] **Option 2**
Council could choose to retain the current one zone fare value for two-zone travel for child and youth passengers only. While this is not consistent with F P3, it does align broadly with F P5 and is likely to have community support. Under this option, community card concessions retain the 50% discount, and the price of travel increases to \$2 for two zone travel.

	Bee Card Fares				
	Adult	Child	Youth	CCC	SGC (peak)
1 zone	\$2.50	\$1.50	\$1.50	\$1.25	\$2.50
2 zones	\$4.00	\$1.50	\$1.50	\$2.00	\$4.00
3 zones	\$7.50	\$4.50	\$4.50	\$3.75	\$7.50
4 zones	\$10.00	\$6.00	\$6.00	\$5.00	\$10.00

The advantages of this are that it retains the existing fare structure for child and youth passengers, while further work is investigated as part of the LTP, it is revenue neutral and should retain patronage. It also complies with the Crown Public Transport Concessions Policy.

The disadvantages are that it foregoes some potential revenue growth, is inconsistent with the RPTP and creates an inconsistent concession framework.

[26] Option 3 (Not Recommended)

Council could choose to retain the current one zone fare value for two-zone travel for all concession types. Staff do not recommend this option as it is inconsistent with the Crown Concession Funding Policy as it relates to Community Card concessions. No analysis of the financial impact of this option has been undertaken for this reason.

	Bee Card Fares				
	Adult	Child	Youth	CCC	SGC (peak)
1 zone	\$2.50	\$1.50	\$1.50	\$1.25	\$2.50
2 zones	\$4.00	\$1.50	\$1.50	\$1.25	\$4.00
3 zones	\$7.50	\$4.50	\$4.50	\$3.75	\$7.50
4 zones	\$10.00	\$6.00	\$6.00	\$5.00	\$10.00

The advantages of this option are that all concession passengers travelling two zones will pay the same fare as they currently pay and there is unlikely to be an impact on patronage.

The disadvantage of this option is that it creates further non compliance with the RPTP, over and above option 2, and is inconsistent with Crown Policy and is therefore not supported.

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

Communities

Otago has cohesive and engaged communities that are connected to the environment and each other.

Climate

Otago is a climate-resilient region that plans for and invests in initiatives that reduce emissions and help us adapt to our changing climate.

Transport

Otago has an integrated transport system that contributes to the accessibility and connectivity of our community, reduces congestion and supports community wellbeing aspirations.

Alignment with Central Government Legislation

There is no specific national policy statement or central government direction that is directly applicable to this work.

Alignment with Otago Regional Council Internal Policy

This work is not consistent with part of the Regional Public Transport Plan 2025- 35 but has some policy support from other aspects of the RPTP.

Financial Considerations

Financial considerations are discussed in paragraphs 14 and 15 of this paper.

Legal Compliance/Risk

There is a risk if the child and youth fares are retained at their dollar value of challenges about noncompliance with the RPTP. Staff consider this risk low and will mitigate it by ensuring NZTA is aware of any decisions made.

Reputational Risk

There is risk to ORC's reputation if child and youth fares are increased from 1 November and this was not clearly understood through the consultation.

Climate Resilience

The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

Carbon Emissions

The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy

This work is of MEDIUM significance as assessed against He Mahi Rau Rika as it has the potential to impact a reasonable number of people.

Engagement with Mana Whenua

There has been no engagement with mana whenua or Māori specifically for this work.

Stakeholder Engagement

The overall fares and zones work has undergone public consultation earlier this year. Specific stakeholder engagement will be required irrespective of the decision Council makes on this matter.

Communications

The decision will be communicated with the relevant audiences, in particular the Waikouaiti Coast Community Board, as the representatives of one of the potentially affected passenger groups.

NEXT STEPS

- [27] Communications material will be ready to be released in the days immediately following the decision made by Council.
- [28] If Council elects to retain the child and youth dollar value fare, this will also be formally communicated to NZTA.

ATTACHMENTS

Nil