

# Hon Chris Bishop

Minister of Housing  
Minister for Infrastructure  
Minister Responsible for RMA Reform  
Minister of Transport  
Leader of the House  
Associate Minister of Finance  
Associate Minister for Sport and Recreation



TCB25-1715

Cr Gretchen Robertson  
Otago Regional Council  
via kim.wainscott@orc.govt.nz

Dear Gretchen,

Thank you for your letter of 9 July 2025 to Hon Erica Stanford, Hon David Seymour, Hon James Meager, and I about the private share targets for public transport. I am replying to you as the issues you raise fall within my portfolio responsibilities as Minister of Transport.

The Government is committed to supporting public transport and wants officials to manage the level of user pays and public subsidies in the system to ensure good value for money for all parties. Public transport fares are an important contribution to the operating costs of the public transport services, and this is already heavily subsidised in recognition of public benefits.

Public transport users pay a share of operating costs to reflect the benefits of public transport to them personally. However, the user contribution is heavily subsidised by local and central government because of the benefits that public transport users provide to other land transport users in terms of reduced road congestion, emissions, and safety. Local and central government further subsidise fares for certain groups of users which acknowledges the importance of mobility and access for all New Zealanders.

The private share targets is the Government's attempt to subsidise fares efficiently, by focusing Public Transport Authorities on managing revenue and cost. Increasing fare prices is not the only way Public Transport Authorities can increase private share, although we acknowledge that it is a straightforward way to do so in the short term.

I would note that increasing fare prices to the point where patronage noticeably declines would also decrease private share. I expect officials at the NZ Transport Agency to work constructively with Public Transport Authorities to set realistic and pragmatic private share targets for each region, and revise these if circumstances change. This must be done while considering the broader context of why the private share targets were implemented.

Thank you again for writing.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'CBishop'.

Hon Chris Bishop  
**Minister of Transport**