10 June 2026

Mayor Anita Baker Porirua City Council	Mayor Andrew Little Wellington City Council	Mayor Ken Laban Hutt City Council	Mayor Peri Zee Upper Hutt City Council
Mayor Janet Holborow Kapiti Coast District Council	Mayor Fran Wilde South Wairarapa District Council	Mayor Steve Cretney Carterton District Council	Mayor Bex Johnson Masterton District Council

BY EMAIL

Tēna koutou katoa

Financial pressures facing public transport

This letter provides an update on public transport financial challenges and Metlink's response.

As agreed by Greater Wellington Regional Council on 19 February 2026, Metlink's public transport fares have increased by 3.1% (in line with December quarter 2025 inflation) and the off-peak discount reduced from 30% to 20%. The fare changes came into effect on 15 May 2026.

When considering the increase in fares, Council sought to balance its desire to reduce its projected rates increase with the need to fund increasing costs in public transport operations and meet the Government's Private Share targets for Greater Wellington's public transport services.

These fare increases were set before the fuel issues resulting from the Middle East and do not cover the increased diesel costs Metlink is incurring each day to keep buses, trains and the harbour ferry operational. While we have been actively investing in decarbonisation for several years, currently approximately half of the region's public transport network runs on electricity.

We are acutely aware that the fare increases come at a challenging time for our communities, and also at a time when some of you have been putting forward proposals for new routes and modernisation improvements. However, as a Council we are not in a position to provide relief and are having to look at reducing services in order to meet the Government's Private Share targets, which of themselves have been made more difficult to reach with the reduced National Land Transport Programme funding. The potential for rates capping further exacerbates the financial headwinds facing public transport.

As you'll appreciate, decisions around fares and service levels are never taken lightly and are driven by funding limitations which, as we outline below, are often beyond Council's control. Public commentary that recognises these constraints greatly assists councillors in continuing to make the case for investment. Should the opportunity arise, we would welcome your support for sustainable public transport funding and value your continued advocacy for public transport.

Fuel crisis: request for Government support

Greater Wellington has called on the Government to support Public Transport Authorities facing sharp increases in diesel prices and has warned that without intervention passengers could face service changes or further fare increases. As it stands, Greater Wellington faces a significant funding shortfall at the end of the current fiscal year, which may well play into 2026/27 and the service offering going forward.

On 8 April[1], we wrote to the Ministers of Finance, Transport and Energy outlining some practical measures the Government can take to support public transport users and thereby reduce fuel use and mitigate the inflationary costs that New Zealanders are facing. This letter follows a letter from myself and the Chairs of Environment Canterbury and Auckland Transport to Ministers dated 19 March 2026[2], to which we are awaiting a response.

Greater Wellington's main ask was for financial support for the increased diesel prices we are experiencing. The increases are costing Greater Wellington in the range of an additional $1.2m - $1.5 million per month. While Metlink experienced a near record volume of people travelling across our network in March - 3.6 million trips across bus, rail and harbour ferries, making March the highest month for public transport use since 2019 - that patronage increase does not cover the increase in fuel costs, at a time when we are also under considerable pressure to maintain levels of service.

At this point the Government "has not ruled any actions in or out in terms of providing financial support to maintain public transport services". [3] But without the commitment of Government support, these pressures are requiring difficult decisions. We will soon have to look at either pausing services, running different timetables or further increasing fares beyond the recent fare increases. On 19 May, Council also had to review the proposed rates increase to encompass increased costs, including fuel, and as a result is proposing an average regional rates increase of around 10% for 2026/27. The final 2026/27 Annual plan and related rates resolutions will go before Council for adoption on 25 June.

Private Share targets

The Government Policy Statement on Land Transport 2024 (GPS) signalled an expectation that Public Transport Authorities 'actively work towards increasing the public transport private revenue share by 30 June 2027'.

Following discussions with Greater Wellington, NZTA agreed to reduced private share targets aligned with Long-Term Plan budgets, while signalling an expectation that Greater Wellington would outline intentions to grow private share beyond the current triennium. At the time these targets were agreed (10 April 2025), Council noted the risk that volatility in the operating environment - including economic and unemployment pressures - would make them challenging. That volatility has since intensified.

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[1] https://www.gw.govt.nz/assets/Documents/Documents/2026/04/Ltr-to-Ministers-re-PT-Fuel-8-Apr26.pdf

[2] https://www.gw.govt.nz/assets/Documents/Documents/2026/03/20260319-Letter-from-Public-Transport-Authorities-to-Ministers-Willis-Bishop-and-Jones.pdf

[3] https://www.gw.govt.nz/assets/Documents/Documents/2026/04/TCB26-0620.pdf

Funding pressures continue following the National Land Transport Programme funding shortfall

Funding pressures were further exacerbated by NZTA's September 2024 NLTP funding decisions, which resulted in a $134.5 million shortfall across Metlink's Significant Investment Programme and Low-Cost Low Risk activities over the 2024–27 triennium.

While Greater Wellington has proceeded with a small number of projects, most projects we requested Government funding for have been reduced in scope or stopped. Many of these unfunded projects were designed to increase revenue/private share and patronage.

Unless there is a change of approach from the government it is unlikely that Metlink will be able to deliver any significant modernisation or extension to the existing public transport network.

Measures to alleviate financial pressures

Metlink is actively focused on alleviating financial pressures and has recently:

a. introduced contactless payments, making it easier for people to use public transport; and

b. partnered with *Extraordinary Pay* - a platform that lets employers offer their staff the ability to pay for public transport through their pre-taxed pay through salary sacrifice.

Your Council might like to consider this measure as it provides employee benefits at a nominal annual cost for employers while supporting a patronage uplift.

Greater Wellington is continuing to support the Government's integrated ticketing system, which while long-delayed, should bring significant benefits to the Metlink network, including the ability to introduce fare capping.

Please be assured we are doing all we can to ensure that the essential service that is public transport can continue in an affordable and sustainable manner.

We appreciate your support as we navigate these uncertain times.

Ngā mihi

Cr Daran Ponter
Heamana | Chair
Greater Wellington

Cr Ros Connelly
Heamana | Chair
Public Transport Committee, Greater Wellington

CC: MPs, Wellington Capital Region