

24 August 2023

File Ref: OIAPR-1274023063-6325

[REDACTED]
[REDACTED]

Tēnā koe [REDACTED]

Request for information 2023-207

I refer to your request for information dated 27 July 2023, which was received by Greater Wellington Regional Council (Greater Wellington) on 27 July 2023. You have requested the following:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Therefore, in light of this and what appears to be a rather profitable scheme, I request:

- 1. The number and value of CHILDREN monthly pass purchases in the last 5 years BEFORE the introduction of the new "tap system" (i.e., paper tickets) broken down by financial year and each travel route (displayed monthly by number and \$ value)*
- 2. The number and value of fines issued to CHILDREN monthly pass holders in the last 5 years BEFORE the introduction of the new "tap system" (i.e., paper tickets) broken down by financial year and each travel route (displayed monthly by number and \$ value)*
- 3. The official start date of each route to the new "tap system"*

4. The number and value of CHILDREN monthly pass purchases SINCE the introduction of the new "tap system" (i.e., paperless/Snapper) broken down by financial year and each travel route (displayed monthly by number and \$ value)

5. The number and value of fines issued to CHILDREN monthly pass holders SINCE the introduction of the new "tap system" (i.e., paperless/Snapper) broken down by financial year and each travel route (displayed monthly by number and \$ value)

Note: please report the values BEFORE deducting any refunds or credits applied

You have 20 working days to provide me with the data requested and I reserve the right to share my findings with the media and other government entities."

On 1 August 2023, a Metlink Officer requested further clarification regarding your request to which you responded with the following:

"I am seeking information on the Snapper on Rail network only (all routes) with a focus on the impact of the Snapper system on Child monthly ticket holders. I am particularly concerned about the fines and penalties that may be imposed on the Child monthly ticket holders if they fail to tag on or off with their Snapper cards. Although I have personal experience with the Johnsonville Line - and personally watched these exact scenarios play out - I would like to know if this is a widespread issue across all routes or if there are any variations or exemptions.

I am also curious about the rationale behind the implementation of the Snapper system and how it compares to the previous ticketing system - which did not require an additional step or impose penalties for Month ticket holders (especially children) to use the train. I am wondering how the "new system" ultimately affects the convenience and affordability of public transport for Child monthly ticket holders.

Thank you for your cooperation - if the data is not in a format that is easy to consume, feel free to send as is, and I will transform the data."

Greater Wellington's response follows:

Background

Please note we refer to the 'tap system' you refer to above as the 'Snapper system', and we refer to the amount charged for missing a tag off after tagging on as a Default Fare.

Snapper data contains records of the Default Fares, however, the data does not identify whether the Default Fares applied were due to missed tag offs on the bus network or the rail network. This data caveat is due to the way that the Snapper ticketing system charges fares.

In the absence of a tag-off for a trip, a Snapper card registers a Default Fare and keeps it in the card's memory until next tag on. On the next tag on, the Snapper card deducts the Default Fare from the remaining balance on your card. For example, if a Snapper card holder misses a tag off on bus, and connects to a train service, the Default Fare will be deducted from the card at the time of tag-on on the train service. The Snapper data would show the Default Fare against the tag-on transaction recorded for the train leg of the journey, even though it has been incurred due to a failure to tag off a bus trip.

While it is possible to extract the total amount of Default Fares recorded against rail trips from the existing Snapper ticketing data, considering the caveat outlined above, this information will not be entirely representative of Default Fares associated with missing tag-offs on train services.

Further to the data caveat outlined above, to support rail passengers through the introduction of Snapper on rail, Metlink also provided a Default Fare amnesty period up until 30 June 2023. This amnesty meant that up until 30 April 2023 passengers were able to contact Snapper and request to:

- Fully reverse the Default Fare for the first time it is requested (per card)
- Provide a 50% reverse of the Default Fare for the second occurrence on request.

From 1 May 2023 – 30 June 2023 passengers were able to contact Snapper and request a 50% reverse of the Default Fare for the first time it is requested (per card).

Noting the caveats above, there has been \$551,083.42 of Default Fares charged on the Wellington rail network for the period from 12 November 2022 (go live of Snapper on Rail) through to 30 June 2023. This does not take into account any Default Fares that were reimbursed under the Default Fare amnesty.

1. The number and value of CHILDREN monthly pass purchases in the last 5 years BEFORE the introduction of the new "tap system" (i.e., paper tickets) broken down by financial year and each travel route (displayed monthly by number and \$ value)

Please refer to the table below which shows the total number and values relating to the legacy child monthly (and MonthlyPlus) rail paper tickets by financial year and month. Due to the nature of the legacy paper tickets (being based on a zone structure as opposed to 'by station or line'), we do not have this information broken down by rail line.

The numbers shown against the months of December to March 2023 do not represent the sales and values associated with those sales in these months as these paper-based passes were discontinued with the start of the Snapper on Rail in November 2022, and therefore were no longer available for purchase after November 2022. The numbers shown in the table for the months mentioned above are the number and value of tickets sold prior to December 2022, but for the months December 2022 to March 2023.

Total number and values of legacy rail paper-based Child Monthly and MonthlyPlus passes sold over the last five years from 20218/19 to 2022/23 financial years

Month	Number of passes sold					Revenue incl. GST (\$)				
	2018-19	2019-20	2020-21	2021-22	2022-23	2018-19	2019-20	2020-21	2021-22	2022-23
Jul	1,389	770	997	1,212	677	\$85,387	\$45,398	\$62,718	\$75,509	\$24,096
Aug	1,243	1,364	1,538	1,002	1,206	\$76,068	\$84,838	\$97,14	\$64,17	\$42,978
Sep	909	1,029	963	386	743	\$58,989	\$67,061	\$60,576	\$23,600	\$26,822
Oct	920	1,079	1,210	610	535	\$54,451	\$67,962	\$75,03	\$37,97	\$18,547
Nov	508	540	694	696	250	\$30,570	\$32,012	\$44,619	\$4,299	\$8,894
Dec	119	187	243	193	22	\$7,954	\$12,295	\$13,848	\$11,382	\$830
Jan	1,076	1,084	522	474	103	\$67,082	\$66,590	\$34,95	\$33,709	\$3,356
Feb	1,562	1,547	1,506	1,026	50	\$94,862	\$95,660	\$9,224	\$68,994	\$1,508
Mar	1,211	1,142	1,495	1,129	39	\$76,720	\$73,220	\$97,555	\$65,276	\$1,457
Apr	1,437	229	990	607	0	\$9,434	\$12,532	\$58,948	\$21,620	\$0
May	1,450	19	2,077	1,281	0	\$89,171	\$962	\$129,522	\$45,428	\$0
Jun	1,152	260	1,178	867	0	\$4,76	\$1,172	\$71,186	\$31,055	\$0
Total	12,976	9,250	13,413	9,483	3,625	\$806,04	\$574,701	\$841,329	\$522,955	\$128,488

2. The number and value of fines issued to CHILDREN monthly pass holders in the last 5 years BEFORE the introduction of the new “tap system” (i.e., paper tickets) broken down by financial year and each travel route (displayed monthly by number and \$ value)

No default fares were issued prior to implementation of the Snapper on Rail system as this kind of regime was not required for paper ticket. The introduction of Snapper required a Default Fare regime.

However, notices were issued by on board staff to passengers where it was identified that they had not made payment for their trip. This was a fare payment notice requesting the person to pay their fare at a ticket office at another time. These payment notices were not enforced and as such there is no information on the number or value of the payment notices issued for the requested period.

3. The official start date of each route to the new “tap system”

Snapper was implemented on the Johnsonville Line on 14 November 2021. Please refer to **Attachment 1** which contains a copy of the press release regarding the introduction of Snapper to the rest of the rail network and the dates that it was officially implemented for each line.

4. The number and value of CHILDREN monthly pass purchases SINCE the introduction of the new “tap system” (i.e., paperless/Snapper) broken down by financial year and each travel route (displayed monthly by number and \$ value)

Please refer to the table below which shows the total number of the Snapper child 30-Day rail passes sold, the values associated with those sales and the number of trips made on the 30-Day passes by

year and month for the financial year 2022/23. The numbers provided in the table for the months of July to October 2022 are for the child 30-Day passes sold on Johnsonville Line as Snapper was not available on other rail lines before November 2022. From November 2022, the numbers include the various forms of child 30-Day passes available across all rail lines.

Total number and values of Snapper rail child 30-Day passes sold over the financial year 2022/23

Month	Number of passes sold	Revenue incl. GST (\$)	Passenger trips
	2022/23	2022/23	20 2/23
Jul	99	\$1,841	1,875
Aug	123	\$2,435	3 45
Sep	83	\$1,669	3,873
Oct	98	\$1,904	1,693
Nov	120	\$3,100	3,302
Dec	50	\$1, 05	2,261
Jan	173	\$5,484	991
Feb	512	\$17,004	16,241
Mar	571	\$19,293	21,526
Apr	450	\$16 509	6,862
May	512	\$17,651	20,183
Jun	262	\$9,186	15,283
Total	3,053	\$97,879	98,035

5. The number and value of fines issued to CHILDREN monthly pass holders SINCE the introduction of the new “tap system” (i.e., paperless/Snapper) broken down by financial year and each travel route (displayed monthly by number and \$ value)

We do not hold information on the number and value of fines issued to children monthly pass holders since the introduction of Snapper on Rail. We are refusing this part of your request under section 17(g) of the Act, as the information requested is not held by the local authority and the person dealing with the request has no grounds for believing that the information is held by another local authority or a department or Minister of the Crown or organisation.

I am also curious about the rationale behind the implementation of the Snapper system and how it compares to the previous ticketing system - which did not require an additional step or impose penalties for Month ticket holders (especially children) to use the train. I am wondering how the "new system" ultimately affects the convenience and affordability of public transport for Child monthly ticket holders.

Please refer to **Attachment 2**. This memo was delivered to Council in April 2022 seeking approval to deliver Snapper as an interim solution to the National Ticketing Solution (N S), which outlines the background and benefits to Snapper on Rail.

If you have any concerns with the decision(s) referred to in this letter, you have the right to request an investigation and review by the Ombudsman under section 27(3) of the Local Government Official Information and Meetings Act 1987.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request will be published shortly on Greater Wellington's website with your personal information removed.

Nāku iti noa, nā



Samantha Gain

Kaiwhakahaere Matua Waka-a-atea | Group Manager Metlink



MEDIA RELEASE

14 NOVEMBER 2022

SNAPPER ON RAIL LAUNCHED ON METLINK RAIL NETWORK

Electronic ticketing system Snapper has been launched on the Wellington rail network, giving all Metlink train customers a contactless, electronic payment option for the first time.

Following a successful 12-month trial on the Johnsonville line, Snapper on Rail went live on the Kāpiti Line on 12 November. It becomes available for Melling, Hutt Valley and Wairarapa trains from 27 November.

Paper ticket sales at stations will cease on 31 December, but rail customers without Snapper card will still be able to pay their fares onboard with cash.

Transport Minister Michael Wood attended today's launch at the Wellington Railway Station, calling Snapper on Rail an important step towards the Government's National Ticketing Solution (NTS).

"By expanding Snapper from buses to trains, Metlink, with the support of Waka Kotahi, is preparing Wellington rail users for the NTS, which will further expand electronic payment options to contactless debit and credit cards, digital methods as well as a pre-paid transit card," the Minister said.

"Making fares easier and more convenient to pay will encourage more people to use public transport, reducing traffic congestion and carbon emissions."

With the NTS expected in Wellington in 2026, Greater Wellington Deputy Chair Adrienne Staples said the regional council was pleased to give Metlink customers an interim electronic payment option.

"Our passengers have long called for smart ticketing on trains. Snapper has been on our buses since 2008, so many Wellingtonians already have Snapper cards," C. Staples said.

"We're confident the convenience of Snapper on Rail will increase patronage towards our mode shift target. Greater Wellington is aiming for a 40 percent rise in public transport use and active travel modes, like cycling, by 2030"

With more than 90 percent of fares on the Johnsonville line now paid by Snapper card, Metlink General Manager Samantha Gain said the success of the Snapper on Rail Pilot had given Greater Wellington the confidence to roll out Snapper to the rest of the rail network.

"Snapper on Rail will make travel on Metlink trains convenient and cost effective for our customers," Ms Gain said.

"Train fare paid with Snapper receive the same discount previously applied to ten-trip tickets. Concessions for children, tertiary students and accessibility customers continue to be available through Snapper.

"The Snapper 30-day pass is available at the same discounted rate as the old monthly pass but can be activated on a day day rather than being restricted to a calendar month."

Snapper on Rail customers tag on and off trains at validator machines installed at stations. Snapper cards are checked onboard to ensure customers have tagged on.

Snapper Chief Executive Miki Szikszai said Snapper on Rail was a convenient solution for the digital age.

"Snapper cards can be purchased at hundreds of retailers around the region. What makes Snapper even more convenient is that you can top up your cards using the Snapper app on your mobile phone. Cardholders without a compatible phone can top up at retailers and in Snapper self-service kiosks," Mr Szikszai.



“Snapper is a proud to be a Wellington-based company and we are focused on playing our part to create an excellent public transport experience. The Snapper team is standing by to support Snapper cardholders to smoothly make the change away from paper tickets.”

The total cost of Snapper on Rail is \$18m, including \$10m for ongoing operating costs. About half of the \$8m set-up cost is for infrastructure and civil works that will not be reincurred for the NTS.

“Snapper on Rail will deliver savings for ratepayers by reducing fare loss, cash handling and administrative costs associated with paper tickets,” Ms Gain said.

“It will provide valuable passenger travel data to help Metlink improve service delivery and network efficiency across both rail and connecting bus services.”

For more information on Snapper on Rail visit: [Snapper on Rail » Metlink](#)

ENDS

Notes to editors:

1. Metlink would like to acknowledge the support of key Snapper on Rail partners Transdev, KiwiRail, T-Money, Activata, HTS and John Holland.
2. Photo ‘Snapper on Rail launch’ from left: Greater Wellington Deputy Chair Adrienne Staples, Snapper Chief Executive Miki Szikszai, Metlink General Manager Samantha Gain, Minister of Transport Michael Wood, Associate Minister of Transport Kieran McNulty.

TO Nigel Corry, Chief Executive

COPIED TO Nicki Lau Young, NTS Project Director

FROM Scott Gallacher, General Manager, Metlink

DATE 14 April 2022

FOR YOUR ACTION: APPROVAL MEMO AND PROCUREMENT MEMO FOR INTERIM SNAPPER ON RAIL SOLUTION

Implementation of the Interim Snapper on Rail Solution in support of Metlink's resilience and preparedness: Preparing for National Ticketing Solution (NTS)

1. The purpose of this approval memorandum is to request your approval to:
 - a) the implementation of an interim roll out of Snapper electronic ticketing across the remainder of the rail network (the Interim Solution) - noting the Johnsonville line pilot commenced in November 2021 - with the expectation that the full network (rail, bus, ferry, and cable car) will transition to the NTS in approximately 2.5-4 years, with the most recent insights from Waka Kotahi indicating it is more likely closer to 4 years;
 - b) a variation to the Interim Bus Ticketing Solution (IBTS) contract with Snapper to reflect the Interim Solution and
 - c) signing the attached "side note" with Waka Kotahi, which underpins Waka Kotahi's agreement to funding the Interim Solution and our commitment around NTS.
2. We have been advised by Waka Kotahi management that the Waka Kotahi Board will be considering the Interim Solution at its Board meeting on 21 April. This approval would ensure FAR funding applying to the Interim Solution costs. In the event this is not approved, we will need to request Council approval for us to proceed unilaterally, and propose this could be done as an extraordinary meeting of Council following either the Council workshop on 26th or 28th April.
3. We are therefore requesting that you agree to the above approvals **subject to** Waka Kotahi approval to FAR funding of the Interim Solution.
4. The memo also notes the arrangements that will need to be put in place for revenue protection under the Interim Solution and the upcoming approvals in this regard.

Background

5. Since mid-2018 electronic ticketing has been provided on all buses in the Wellington Region under the IBTS (Interim Bus Ticketing System) Agreement with Snapper Services Ltd. Rail has continued to use paper tickets pending the introduction of the NTS which has had a number of implementation dates, but at the time of the IBTS agreement was scheduled for implementation in 2021/2022.
6. On 14 November 2021, GWRC initiated a pilot of Snapper on the Johnsonville Rail Line (Johnsonville line pilot) as part of its transition to NTS to learn from operational and customer

experience. This trial has already been very successful, providing many learnings and generating a positive customer response.

7. GWRC received advice from Waka Kotahi in December 2021 that a state of readiness of NTS for implementation on the Wellington network will not be before mid-2024 at the very earliest.
8. As a result of this advice, a proposal to implement the Interim Solution on the remainder of the rail network (Kapiti, Hutt, Melling and Wairarapa lines) has been explored to enable us to meet community needs that come from electronic ticketing, and in support of ongoing resilience and preparedness objectives. This would be implemented by extending Snapper to the remainder of GWRC's rail network in November 2022.

Scope

9. The functionality of the Interim Solution will be limited to that needed to introduce electronic ticketing on an interim basis onto the rail network. This means that for the large part, the functionality (including validator form) would be the same as the Johnsonville line pilot, with minor additions to reflect the fare requirements for multiple rail lines moving to Snapper.

Benefits of Interim Snapper Solution

10. There are a number of benefits in implementing the Interim Solution ahead of a transition to the NTS. These are:
 - Contactless payment option for rail in a Covid environment. While the option to pay by cash on board the train is proposed to be retained during this Interim Solution, the ability to pay by Snapper will significantly reduce Council's financial exposure in the event that we need to move to only contactless payment to reduce health and safety risks for customers and workers
 - Increased fare revenue through reduction in revenue leakage on rail (see cost/benefit analysis below).
 - Availability of data (which is non-existent or poor for aspects of the paper ticketing system) regarding rail usage in support of increased network planning and efficiency; and
 - Meeting community expectations of having electronic ticketing across our bus and rail network
11. An extension of the Snapper on Rail trial will also provide invaluable lessons for the implementation of the NTS and its integration into Metlink operations and business activities. It will also continue the important step of culturally transitioning all rail customers to electronic ticketing to support a smoother NTS transition. Other key learnings will include revenue protection, passenger behaviour and flow management and optimal location of physical electronic ticketing devices and its retail network.

Cost and Financial Benefits of the Interim Solution

12. There is currently an LTP provision of \$68m (\$49m Capex, \$18m Opex) for the introduction of integrated fares and electronic ticketing this triennium.
13. The total incremental cost (above the expected GWRC's NTS implementation costs) of the Interim Solution and assuming a transition to NTS in February 2025 is \$18m of project opex. SoR is intended to be a short-term interim arrangement only in place for 2-3 years and

providing key learnings for the wider roll-out of NTS. It is therefore proposed that any spending on Snapper on Rail this triennium be treated as non-capital project cost (project opex). As such, this can be funded via a combination of loan and rate funding.

14. The expected financial benefit from the Interim Solution over the same timeframe from increased revenue protection is \$14.6m (opex).
15. This results in a net cost of the Interim Solution of \$3.4m given it is expected that up front capital expenditure will be mostly offset by operational savings. The cost and benefit breakdown is set out in Appendix A. Note that there a number of other potential benefits that have not been quantified e.g., paper ticket cost savings, improved data insights, and customer experience etc.

Procurement of Snapper Ticketing Services

16. We are proposing to direct source the Interim Solution ticketing services to the existing supplier, Snapper Services Ltd, under a rule 14 exemption from opinion advertising. GWRC considers that exemption 14.9(c) applies for the following reasons:
 - This is expected to be a short-term technical solution until the NTS is available, and there is no reasonable alternative to achieve the required timeline of November 2022.
 - The existing contractor for the IBTS Agreement has significant technical knowledge of the existing system and will be able to more cost effectively deliver a service for rail.
 - There would be a substantial lead time and duplication of costs to get another supplier up to speed to deliver a rail outcome, which would still not be compatible with the bus network.
 - Snapper are in a unique position to deliver the pilot to the timescales required and with minimum operational risk.
 - To run a full procurement process would duplicate work being done as part of the NTS and could create a litigation risk.
17. The key terms for the Interim Snapper Solution are:
 - A 2-phase implementation programme with the Kapiti line going live in early November 2022 followed by the Hutt/Melling/Wairarapa Lines in late November.
 - The IBTS Agreement is an evergreen contract however the Interim Solution variation states a contract end date of December 2026 with GWRC rights to early termination on 18 months' notice. The December 2026 date has been chosen to give maximum flexibility in the event NTS is delayed.

Equipment and establishment costs will be paid off within 12 months. This is within the minimum possible contract duration which means that there is no need for complex mechanisms for calculating residual capital sums or balloon payments in the event of early termination for NTS.
18. The total value of the contract for the Interim Solution is \$17.7m if it runs for the maximum duration – the cost breakdown is set out in Appendix B.

Outside scope

[REDACTED]

Revenue Protection Arrangements

20. The move to electronic ticketing is expected to significantly reduce the amount of fare evasion on our rail network provided GWRC ensures that revenue protection measures are in place to check customers have tagged on Snapper cards.
21. We are currently working with Transdev, our rail operator, to agree arrangements for this Snapper checking to be undertaken by its train managers and passenger operators from July on the Johnsonville line pilot and from November on the rest of the network. In the next month, we will be seeking your agreement to a letter of agreement between Transdev and GWRC for the Johnsonville line pilot which will include GWRC paying for additional Transdev phones and transition costs for the pilot. We will also provide an update for the plans for the larger transition in November.

Recommendations:

22. It is recommended that, subject to Waka Kotahi Board approving FAR funding for the Interim Solution, that you:
 - a) **Approve** the implementation of the Interim Solution in advance of the transition to NTS at a total cost of \$18m noting a benefit of \$14.6m over a three year period;
 - b) **Approve** the appointment of Snapper Services Ltd for ticketing services for the period of 22 April 2022 until December 2026 up to a total cost of \$17.7m and on the terms and conditions set out in this memo;
 - c) **Outside scope** [REDACTED]
 - d) **Note** that the costs associated with the Interim Solution are already covered under the LTP;
 - e) **Note** the Snapper contract termination date is 22 months after the expected NTS implementation date of February 2025, to create continuity in the event that there is a further delay in NTS and noting the contract can be terminated with 18 months' notice without penalty if NTS is available earlier. The financial analysis has been prepared on

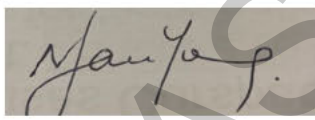
the basis of a February 2025 NTS implementation however approval is sought for the full contract amount;

- f) **Note** that if the Waka Kotahi Board does not approve FAR funding of the Interim Solution, we will need to consider proceeding unilaterally and seek Council approval for such a course of action. We have financial cover under the LTP to do this, but Council would need to approve that FAR funding would not be available for this project.





Approval

The following people have reviewed, support or endorse this document, before it is provided to the Authorised Delegated Financial Authority (DFA):




Prepared by:

Name	Title/Team	Date	Signature
Nicki Lau Young	Project Director – NTS	12/04/2022	

Reviewed by:

Name	Title/Team	Date	Signature
Luke Baron	Strategic Finance Business Partner	12/04/2022	
Deborah Kessell-Haak	Manager Legal & Procurement	13/04/2022	
Alard Russell	NTS Commercial Lead	13/04/2022	
David Lewry	NTS Technical and Business Lead	13/04/2022	

Supported by:

Name	Title/Team	Date	Signature
Tim Shackleton Governance Group	Metlink Manager Commercial, Strategy & Investment	13/04/2022	
Bonnie Parfitt Governance Group	Metlink Manager Network & Customer	13/04/2022	
Scott Gallacher Governance Group	General Manager Metlink	19/4/2022	

Approval and sign off

Contract and Procurement approach as set out above approved by (Authorised DFA):



Signature

Nigel Corry
Chief Executive

Date: 19/4/2022

PROACTIVE RELEASE

Appendix A – Cost/Benefit Breakdown

The table below provides a summary of the cost implications of implementing the Snapper on Rail Interim solution based on the following timelines:

- Snapper on Rail rolled out on the remainder of the network in November 2022
- Transition to NTS February 2025

The table below provides a breakdown of the incremental costs arising out of the interim option:

Additional Implementation Costs for Snapper Interim Option	
Snapper on Rail Pilot Costs	
Snapper - Establishment Fee	
Snapper - Additional Participation Fee	
Snapper - Equipment and Installation	
Revenue Protection during Trial	
Merchant Acquiring Costs During Pilot	
Additional costs i.e. maintenance/upkeep/data etc	
Customer Surveys	
Total Increase in Snapper on Rail Pilot Costs	\$15.6M
Marketing/Communications	
Data and Analytics/Reporting	
Free Transit Cards	
Integration of Snapper with existing Systems	
Snapper Decommissioning Costs	
Total Additional Costs from SoR Interim Options	\$18.0M

The table below shows that the additional \$18m of implementation costs are partially offset by revenue protection benefits of \$14.6m leaving a net cost of \$3.2m.

Note: these figures align with the NTS Detailed Business Case assumptions, however a reduced patronage benefit is assumed to take into account COVID impacts and no operational cost savings have been assumed on the rail network (with the exception of merchant acquiring costs).

	NTS Budget assuming 2022 Implementation	Updated NTS budget for 2025 Implementation	NTS Budget with SoR	Variance
Installation of New Assets	\$5.0M	\$5.0M	\$5.0M	\$0.0M
Decommissioning Costs	\$1.3M	\$1.3M	\$1.7M	\$0.4M
Transition Fare Strategy (Free fares)	\$9.3M	\$9.3M	\$9.3M	\$0.0M
Data Analytics and Reporting	\$1.0M	\$1.0M	\$1.5M	\$0.5M
Integration	\$4.6M	\$4.6M	\$4.9M	\$0.3M
Customer Communications (Marketing)	\$2.3M	\$1.4M	\$2.4M	\$1.0M
Transition resource Costs	\$7.8M	\$9.7M	\$9.7M	\$0.0M
Revenue Inspection	\$1.4M	\$1.6M	\$1.6M	\$0.0M
Incumbent Costs	\$3.0M	\$3.0M	\$3.0M	\$0.0M
Card Balance Transfer Costs	\$1.2M	\$1.2M	\$1.5M	\$0.3M
Wellington Rail Solution Design	\$1.4M	\$1.4M	\$1.4M	\$0.0M
Snapper on Rail Pilot Costs	\$7.3M	\$11.9M	\$27.5M	\$15.6M
Contingency	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Total Implementation Costs	\$45.6M	\$51.3M	\$69.3M	\$18.0M
Improved Revenue Protection on Train Benefit	\$0.0M	\$0.0M	(\$14.6M)	(\$14.6M)
Total Costs after Benefits	\$45.6M	\$51.3M	\$54.7M	\$3.4M

Appendix B – Breakdown of Snapper costs for Interim Solution through to December 2026

Establishment fee (\$ ^{section 7(2)(b)(ii)} per month over 12 months): \$ ^{section 7(2)(b)(i)}

Monthly participation fee: ^{section 7(2)(b)(ii)}

- ^{section 7(2)(b)(i)} per month for on-going support on Johnsonville increasing to;
- ^{section 7(2)(b)(ii)} per month from Go Live date on Kapiti Line increasing to;
- ^{section 7(2)(b)(ii)} per month from Go Live for ongoing support of the Full Rail Network.

Equipment and Installation fee (paid over 12 months): \$ ^{section 7(2)(b)(i)}

- Installation fee - ^{section 7(2)(b)(ii)} per validator (assumption of 205 units)
- Equipment fee - \$ ^{section 7(2)(b)(i)} per validator, per month over 12 months

Decommissioning costs: ^{section 7(2)(b)(ii)} per validator (assumption of 205 units): \$ ^{section 7(2)(b)(i)}

Total: \$17,748,000.00

¹ While the expected NTS implementation date is February 2025, the contract termination date includes a 22 month window in the event that the NTS is delayed. Note \$1.2 M has already been approved for JVL line through to June 2023, in the IBTS Pilot Procurement memo dated May 6th, 2021.