

17 December 2024

File Ref: OIAPR-1274023063-33857

By email: [REDACTED]

Tēnā koe [REDACTED]

### **Request for information 2024-316**

I refer to your request for information dated 22 November 2024, which was received by Greater Wellington Regional Council (Greater Wellington) on 22 November 2024. You have requested the following:

*“What is the estimated cost to Metlink/snapper for these transactions per year, and the estimated cost of revenue from these processing fees?”*

#### **Greater Wellington’s response follows:**

Greater Wellington made the decision to implement a user-pays model for recovering processing fees on credit/debit card top ups on the Snapper app and credit card top ups at self-service Snapper kiosks because it was not financially viable to continue absorbing these processing fees.

With Snapper cards becoming the primary way passengers pay to travel on the public transport network in recent years, the associated card processing fees have risen significantly and were forecast to cost ratepayers \$889,000 this calendar year and rising to \$1.169 million in 2025 (costs are passed on by third party provider Snapper, which is charged processing fees by its payment processing providers).

This led Metlink, which delivers public transport in the region and is part of Greater Wellington, to examine what should be done given ratepayers were footing the growing bill. Options considered included do nothing (card processing fees continue to be absorbed by ratepayers) and passing on an additional fee for Snapper top ups (on app and credit cards at kiosks).

These options were considered at a time when Greater Wellington was attempting to limit the general rates increase for its ratepayers and it was also working through a \$134 million funding shortfall for public transport projects that resulted from the NZ Transport Agency’s funding decisions for National Land Transport Fund.

It was considered the fairest and most transparent option to shift the financial burden from ratepayers to a user-pays model.

#### *Setting of the 1.5% fee to cost recover*

Greater Wellington is not seeking to profit from the 1.5% card processing fee introduced on 2 December 2024. The 1.5% charged is less than the 1.64% on charged by Snapper to Greater Wellington in the 12 months to the end of June 2024, and the same as the 1.5% on charged since mid-March 2024. Snapper regularly reviews processing fees charged by the financial institutions it works with and renegotiates for a better deal when/where possible.

Greater Wellington believes the introduction of the card processing fees is in line/compliant with the Retail Payment System Act 2022 and Commerce Commission guidelines.

#### *Other ways to pay*

Using an EFTPOS or debit card (and selecting cheque/savings) at the 27 Snapper kiosks region wide is still available as a fees-free options for topping up a Snapper card. Alternatively, top up is available at 196 retailers across the region for a 25 cent top up retailer fee (irrespective of the amount of the top-up). Locations for retailers and kiosks in the region wide network can be found here: <https://www.snapper.co.nz/locations/>.

There are currently no plans to introduce additional kiosks or ways to pay as the Greater Wellington region will transition to the National Ticketing Solution (NTS), which will provide more payment options for all public transport customers. More information on NTS can be found here: <https://www.nzta.govt.nz/walking-cycling-and-public-transport/public-transport/national-ticketing-solution/>.

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 appropriate. 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-ā-atea | Group Manager Metlink