Hi Nick,

We’re happy to liaise with Barry on this. I’ll update you once we’ve made some progress!

Ngā mihi

Hi

Just a thought that if it’s ok with you, it would probably be quicker for you to liaise directly with Barry rather than through me. I don’t currently have a fixed time to speak to Barry on Thursday as I am in meetings once he becomes available. I have offered to speak on Friday but without response as of yet. He has been responding to emails sporadically so it may be worth you floating the idea of a joint MOT/BCA letter to him already now so as to gauge interest.

Cheers
Nick

Hi Nick,

Thanks to you Paul, and Esther for coming to meet with us yesterday. It think it was useful having a chance to sit down and talk through the various matters.

Thanks for contacting Barry. I will beginning drafting up a letter which could potentially come from the Minister and BCA (after you find out what Barry thinks on Thursday).

Ngā mihi
To: 
Subject: Letter to operators

Hi [Name]

I’ve been in contact with Barry. Unfortunately he is in Sydney first half of this week and earliest he could speak is Thursday late afternoon. I have shared the Terms of Reference and a brief overview of our discussion with him and will let you know his reaction.

Cheers
Nick

Nick Leffler
Senior Associate

+64 4 890 7322
nieffler@allenandclarke.co.nz
www.allenandclarke.co.nz
PO Box 10730, Wellington 6143
Level 2, The Woolstore, 262 Thorndon Quay,
 Pipitea, Wellington 6130
 New Zealand

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MINISTRY OF TRANSPORT

Wellington (Head Office) | 318 Lambton Quay, Wellington Central | PO Box 3175 | Wellington 6011 | NEW ZEALAND | Tel: +64 4 439 9000 |

Auckland | NZ Government Auckland Policy Office | 45 Queen Street | PO Box 106238 | Auckland City | Auckland 1143 | NEW ZEALAND | Tel: +64 4 439 9000

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Please consider the environment before printing this email.
Subject: FW: PTOM further research - end of Phase One

From: [redacted]
Sent: Tuesday, 29 January 2019 9:16 AM
To: Nick Leffler <nleffler@allenandclarke.co.nz>
Subject: RE: PTOM further research - end of Phase One

Hi Nick,

I’ve just checked in with BCA so I will let you know when I hear back from them – hopefully it will be quickly!

Ngā mihi

From: Nick Leffler <nleffler@allenandclarke.co.nz>
Sent: Monday, 28 January 2019 5:35 PM
To: [redacted]
Subject: RE: PTOM further research - end of Phase One

Hi

I did thanks. Hope you also had a good break.

I’ve been trying to connect with Barry from the BCA over the past couple of weeks in line with the timeline below. Despite multiple emails, phone calls, and messages left with his colleagues I have not had a response. I am trying again today to hopefully connect with BCA before we re-engage with operators. Failing this, I was going to get in touch later this week to confirm whether you would like us to proceed without the further input from BCA. Do you have a view on this?

Best
Nick

From: [redacted]
Sent: Monday, 28 January 2019 5:29 PM
To: Nick Leffler <nleffler@allenandclarke.co.nz>
Subject: RE: PTOM further research - end of Phase One

Hi Nick,

Although it is now nearly the end of January I hope you had a great summer break! Happy New Year.

Just checking in on how work is progressing in line with the revised timeline you emailed below. I think you were planning to reengage with stakeholders starting this week?

Ngā mihi
Hi

Thank you sharing the letter that went out from the Minister’s office. As requested, we have rescoped the project to focus only on the quantitative analysis, please see details on proposed timeline and budget below.

**Approach and timeline**
We propose that going forward we have a close engagement with the Bus and Coach Association to facilitate the process of engaging with the operators and getting access to data. We will therefore kick off the next phase of the work with a methodology refinement session with the BCA to confirm the data we will be requesting from operators – in order to provide the richness of analysis necessary we will request operators to identify driver characteristics (length of tenure, previous employer, etc.) but we want to confirm with the BCA that requesting this is realistic and that the right questions are being asked. We expect that engaging with operators to access data may take some time, including possibly in-person. Once the analysis is complete, we propose to discuss our findings with each of the operators to incorporate any feedback / reactions in our report to MOT. Based on this, the Gantt chart below sets out the proposed timeline.

#### Gantt Chart

- **Quantitative Approach Refinement with BCA**: W/C 21 Jan
- **Engagement with operators for data collection**: W/C 28 Jan
- **Data cleaning**: W/C 4-Feb
- **Data Analysis**: W/C 11-Feb

#### Budget
Our original budget for Phase 2 was $66,710. Given our experience of engaging with the operators through phase 1 and the revised approach to include only the quantitative approach, we propose to use $33,480 of the remaining budget for the quantitative analysis. As the original budget included some efficiencies in terms of engaging with operators for both quantitative and qualitative data collection, we would need to revisit the budget should a decision be made to proceed with the qualitative analysis.
I’d be happy to discuss the above in more detail if useful. I am here through the end of this week and then back online from 8 January.

Best
Nick

---

From: [Redacted]
Sent: Monday, 17 December 2018 2:41 PM
To: Nick Leffler <nleffler@allenandclarke.co.nz>
Cc: Brent Johnston <B.Johnston@transport.govt.nz>
Subject: RE: PTOM further research - end of Phase One

Hi Nick,

You will be pleased to know that the letter we discussed from the Minister and BCA to operators has finally been sent out. You will find the letter that went to Uzabus attached (they were all identical, except for the address block).

As you will note in the letter, we have acknowledged the concerns that some operators raised with the qualitative analysis proposed and have undertaken to progress the quantitative side first – early in the New Year. If you could put together a new timeframe based on this approach that would be great.

Apologies for all the delay at our end. I hope you have a great Christmas break. I am around the rest of the week and will be back at work from January 9th.

Happy to discuss as always.

Ngā mihi

Senior Adviser, Mobility and Safety
Ministry of Transport – Te Manatū Waka

www.transport.govt.nz

Enabling New Zealanders to flourish

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From: Nick Leffler <nleffler@allenandclarke.co.nz>
Sent: Tuesday, 27 November 2018 11:24 AM
To: [Redacted]
Subject: Re: PTOM further research - end of Phase One

Hi,

Just thought I would check in on the status of the letter and whether there is anything I can usefully do to assist or move the research further.

Cheers
Nick

Nick Leffler
Senior Associate
Allen + Clarke
Thanks very much for that Nick.

Ngā mihi

From: Nick Leffler <nleffler@allenandclarke.co.nz>
Sent: Thursday, 22 November 2018 11:57 AM
To: 
Subject: RE: PTOM further research - end of Phase One

I should also note that there has been significant churn since PTOM contracts started. Operators commented that many drivers that were initially brought on at the start of the contracts have since left or moved to another operator.

From: Nick Leffler <nleffler@allenandclarke.co.nz>
Sent: Thursday, 22 November 2018 11:56 AM
To: 
Subject: RE: PTOM further research - end of Phase One

Hi 

It would be useful to confirm the exact nature of the question. The clarification to the question states “how many drivers left the job”, which I interpret as drivers who left the industry (i.e. are no longer working as bus drivers). On the other hand, “the scale of churn” I would interpret to be churn in the industry – i.e. it would include the number of people who have both left the industry and those who moved to another operator.

I’d expect that, subject to operators providing the data, it should be possible to identify:
• How many drivers each operator had under pre-PTOM contracts
• How many drivers left each operator following PTOM tendering
• How many drivers joined each operator following PTOM tendering

I do not expect to be able to say conclusively how many drivers left the industry however, though it may be possible to identify how many union members left the industry noting that union membership is a relatively small proportion of drivers.

I hope that helps.

Nick

From: 
Sent: Thursday, 22 November 2018 11:46 AM
To: Nick Leffler <nleffler@allenandclarke.co.nz>
Subject: FW: PTOM further research - end of Phase One

Hi Nick,

Could you please give us a steer on the Minister’s question below?

Ngā mihi

 Released under the Official Information Act 1982
Good morning

The Minister has reviewed the Terms of Reference and is comfortable for the work to proceed.

The Minister has asked that the research also identifies the scale of churn i.e. how many drivers left the job as a result of PTOM tendering.

Do you think this is going to be achievable?

Ngā mihi

Private Secretary (Transport)

Office of Hon Phil Twyford
Minister of Transport | Minister of Housing and Urban Development
Private Bag 18041 | Parliament Buildings | Wellington 6160 | New Zealand
Office Phone: +64 4 817 8704 Email: Phil.Twyford@parliament.govt.nz

Kia ora

As you are aware in mid-September we commissioned Allen & Clarke to undertake further research into the specific and actual impacts on drivers under the public transport operating model (PTOM).

This research was contracted in two phases, with the output for Phase One being a Terms of Reference, which is attached. This was to allow the Ministry to determine whether Allen & Clarke would be able to get the necessary information to analyse the data to the level of granularity asked for by the Minister.

We have reviewed the Terms of Reference and consider that Allen & Clarke will be able to complete the research and provide detailed impacts in their final report. We will let Allen & Clarke know that we want them to proceed with Phase Two by the end of the week.

All but one operator has agreed to provide the necessary payroll and wage information to allow for the research to be undertaken. Another operator has said they are not willing to participate in the qualitative part of the research. It is possible that all operators will participate, as the Bus and Coach Association is following up with both operators. Even if these operators do not agree to participate we still believe that the research will be able to assess the impacts at a sufficient level of granularity.

The overall timeframe for the research remains the same with Phase Two due to be completed by 21 December 2018. We would expect to brief the Minister on the results early in the New Year. This timing fits into possible further work which may arise from the Ministry of Business, Innovation and
Employment’s (MBIE’s) working group on fair pay agreements and we continue to engage with MBIE on this.

Post this work in early 2019, the full evaluation of PTOM is due to commence in mid-2019 to enable consideration of at least 12 months operating data from both Auckland and Wellington. Preparatory work will be undertaken with the NZ Transport Agency to ensure robust baseline information is being collected to enable this evaluation.

Ngā mihi

[Redacted] | www.transport.govt.nz

Enabling New Zealanders to flourish
Dear Justin,

Thank you for your involvement to date in the work I asked officials to commission on the impacts of the Public Transport Operating Model (PTOM) on bus drivers’ wages and employment conditions. As you know, this Government is dedicated to building a 21st century transport system to support the creation of more liveable and accessible towns and cities. Increasing people’s access to fast and frequent public transport is a key part of the Government’s plan.

The earlier work provided high-level indications of PTOM’s impacts. This included increased service provision and more competition under PTOM, however at least some drivers in Auckland and Wellington were found to be financially worse off than under previous conditions. I have therefore asked officials to commission further research to work out the impacts at a more detailed level.

I understand you may have been contacted in the last couple of months by Allen & Clarke regarding further quantitative and qualitative research. Some concerns have been raised about the suggested methodology and potential outcomes of the research. I want to reassure you your concerns have been heard, and I am grateful to Barry Kidd and the team at the Bus and Coach Association for working together with officials and Allen & Clarke to refine the methodology.

I am keen to progress this work as quickly as possible. However, I understand we need do some more thinking about balancing the qualitative information we request within the wider context of the report. For this reason, we have delayed the qualitative phase, and Allen & Clarke will be progressing the quantitative research as a priority, and will seek data from you for this early in the New Year.

I seek your further cooperation with this research, as understanding PTOM impacts on bus driver wages and conditions is vital to inform my self and the Government on future PTOM work, including the full evaluation which will begin in mid-2019.

I am conscious 2018 has been a very busy year for you and I would like to thank you again for the important work you do providing public transport for New Zealanders. I wish you a safe and happy holiday period.

Yours sincerely,

Hon Phil Twyford
Minister of Transport
Hi Nick,

Thanks for sending this through. We have uploaded it to our automatic invoicing system.

Regarding the letter to operators, we have developed a draft and hope to get it to the Minister’s office in the next few days. We will be in contact once we have the Minister’s approval.

Ngā mihi

From: Nick Leffler <nleffler@allenandclarke.co.nz>
Sent: Thursday, 6 December 2018 11:32 AM
To: Brent Johnston <B.Johnston@transport.govt.nz>
Cc: Julie Edwards <jedwards@allenandclarke.co.nz>
Subject: Invoice for Phase 1 of PTOM Further Research

Dear Brent,

Please find attached our invoice for Phase 1 of the PTOM Further Research project. We look forward to hearing from you in due course regarding Phase 2.

Best regards
Nick

Nick Leffler
Senior Associate

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Tax Invoice
GST Number: 76-817-243

Ministry of Transport
ATTN: Brent Johnston, Manager
Mobility and Safety
PO Box 3175
WELLINGTON 6140

Invoice : 00004682
Date: 30/11/2018

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A+C REF: AOG-MOT008 FUR-E
Contract No: 18/19-028
P/O REF: RMOB/6415

Invoice for Phase 1 of the PTOM Further Research project, including:
• Development of project plan
• One pager for Minister
• Engagement and co-design with operators and unions
• Development of Terms of Reference for Phase 2

Total Fees: $13,180.00 (excl GST)
Plus 1% AOG Fee: $131.80 (excl GST)
Plus expenses:
$806.91 (excl GST) for Flights and taxis for Workshop in Auckland - Esther White and Nicholas Leffler.
Total Invoice: $14,115.71 (excl GST)

Payment may be made directly to our bank account as follows:
ANZ Bank
Commercial Banking Branch
Account #: [REDACTED]
Swift code: [REDACTED]

Subtotal: $14,118.71
GST 15%: $2,117.81
Total Amount $16,236.52

Terms: Payment of this invoice within 7 days would be appreciated.

Released under the Official Information Act 1982

Redactions in this document pursuant to s9(2)(a)
Hi [redacted]

Thanks for the update. It would have been useful to have had a discussion with the BCA before they canvassed their members but nevertheless I will wait to hear from BCA at the end of the week. I am away Monday and Tuesday next week. Can I suggest that we catch up towards the end of next week once we hear from BCA.

Cheers
Nick

From: [redacted]
Sent: Tuesday, 29 January 2019 3:43 PM
To: Nick Leffler <nleffler@allenandclarke.co.nz>
Subject: FW: Happy new year

Hi Nick,

Please see email below from Anna. I think that might somewhat explain their delay in contacting you.

Ngā mihi

[Anna Cleary]

From: Anna Cleary <anna.cleary@busandcoach.co.nz>
Sent: Tuesday, 29 January 2019 3:25 PM
To: Barry Kidd <barry.kidd@busandcoach.co.nz>
Cc: Brent Johnston <B.Johnston@transport.govt.nz>
Subject: RE: Happy new year

Kia ora [redacted]

Same to you, we’ve also been back for a couple of weeks and the diaries are filling.

We are around and, like you, busy with the usual myriad of things.

We are still canvassing members re: the PTOM work, and will get back to A&C by the end of the week,

Cheers

AC
Morning Barry and Anna,

Although it’s nearly the end of January – Happy New Year! I hope you had a great summer break. Things seems to be picking up again round here after the first couple of weeks which were easing back into things.

Just checking in on whether you guys are around, as I was catching up with Allen & Clarke re the further quantitative analysis they are about to begin with operators, and they mentioned wanting to get a hold of BCA to test their methodology before beginning.

Ngā mihi

Senior Adviser, Mobility and Safety
Ministry of Transport – Te Manatū Waka

Enabling New Zealanders to flourish
Hi

I did manage to meet with Anna this morning and we had a very productive discussion. I agreed to provide her with some more detail on the proposed quantitative data collection in writing and she would like to debrief with Barry.

I appreciate that these continued delays will be frustrating but it appears there are some major players who are currently not willing to participate (including operators that were very positive when we met with them in October). We (Allen + Clarke and BCA) are aiming to provide you an update by the end of next week, I hope that is ok.

Best
Nick

Hi Nick,

Just wondering if you managed to meet up with Anna from BCA this morning, and if so whether you have any updates on the timeline etc.

Ngā mihi

Senior Adviser, Mobility and Safety
Ministry of Transport – Te Manatū Waka

Enabling New Zealanders to flourish
Hi Brent,

Thanks for the update. I will refer Hawke’s Bay Regional Council to you.

We will complete an invoice and send it through to you in line with our standard financial calendar at the beginning of June. Our Director will also likely send through some details on end of project review for MBIE AGO contracts.

Cheers
Nick

Hi Nick,

Sorry for the delayed response.

In terms of release of the report, appreciate your feedback on this. There isn’t an imminent release proposed, but we will need to discuss this with the Minister (and also assess from the point of view of the OIA, should we receive a request for the report). Will let you know where we get to on this.

Re: the correspondence you have received from Hawkes Bay (and any subsequent questions you might receive from other parties), happy for you to refer these to us to respond to.

Cheers
Brent

Brent Johnston
Manager, Mobility & Safety
Ministry of Transport – Te Manatu Waka

b.johnston@transport.govt.nz | www.transport.govt.nz

Enabling New Zealanders to flourish
Apologies for the delayed response, I was away when you sent your email and spent last week catching up and checking with others before responding to you.

Thank for the update on MOT’s decision regarding the project. We understand and agree with the decision. As you gear up for the broader work programme, should any questions arise as to how the work we have done to date fits in with any further PTOM or broader sector work I would be happy to contribute to the discussion if useful.

In terms of the practicalities of closing down the current piece of work:
1. In line with the terms and conditions of the Consultancy Services Order, clause 14.1 provides for the Participating Agency to terminate the agreement. We are happy to accept your email as notice of termination sufficient for closing down the project
2. We will prepare a final invoice and send that to you before the end of May
3. In terms of the potential release of the first piece of research, given that operators and regional councils received the presentation with the high-level findings, and given the known nature of the views on the first piece of work, we wonder whether there is any merit in disseminating it further. It would, however, be useful input to any future work on PTOM, provided that the additional documentation that we prepared as part of this second phase accompanies it. This would provide an understanding to any future provider of the challenges encountered in the initial approach, the attempts to overcome these, and the difficulties encountered in obtaining the data. Releasing the report at this stage, however, is unlikely to help the discussion move forward productively in our opinion.

In addition to the above, I have received an email from Hawke’s Bay Regional Council who were contacted for the first piece of work. They have been requesting quarterly updates on the work in order to feed back to councillors. Could you please advise how you would like me to respond or whether you would prefer that I pass the communication on to you for follow up.

Happy to discuss any of the above.

Best regards
Nick

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From: Brent Johnston <B.Johnston@transport.govt.nz>
Sent: Saturday, 20 April 2019 1:31 PM
To: Nick Leffler <nleffler@allenanddarke.co.nz>
Subject: Update on PTOM research

Hi Nick,

Thank you for your patience with the work to date.

I can confirm, we have made a decision to draw the current piece of work to a close.

This recognises that the second stage of work will not be completed due to an inability to obtain the necessary data and information to undertake the analysis. We have considered the likelihood of this changing. However, noting broader work that is now occurring across the sector, we consider it highly unlikely that the availability of information will change in the short term.

We are gearing up a broader public transport work programme for 2019/20, including considering the potential scope and timing of a broader PTOM evaluation. We will need to consider how your work and the broader programme fit together.

In the meantime, could you please consider and come back to me re: any practical matters that need to be completed to end the current contract, including of course receiving a final invoice from you for the work you have completed in stage 2 to date.
I would also welcome any comment you have on the potential release of the first piece of research that was completed. We do not have a defined when this might occur, but it is something we will now need to consider.

I am in the office Tuesday, but then off for the remainder of the week. Let’s aim to touch base early in the week beginning 29 April 2019.

Cheers
Brent

Brent Johnston
Manager, Mobility & Safety
Ministry of Transport - Te Manatu Waka

b.johnston@transport.govt.nz | www.transport.govt.nz

Enabling New Zealanders to flourish

The Ministry of Transport has moved! Our new address is: Ground Floor, 3 Queens Wharf, Wellington 6011. All other contact details remain the same.
Dear Brent,

Please find attached our final invoice for the PTOM further research project. Please let me know if you have any questions.

Best regards
Nick

Nick Leffler
Senior Consultant

+64 4 890 7322
nleffler@allenandclarke.co.nz
www.allenandclarke.co.nz
PO Box 10730, Wellington 6143
Level 2, The Woolstore, 262 Thorndon Quay, Pipitea, Wellington 6130
New Zealand

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Ministry of Transport
ATTN: Brent Johnston
Manager Mobility and Safety
PO Box 3175
Wellington 6140

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**Tax Invoice**

GST No: 076 817 243

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A+C REF: AOG-MOT006 FUR-E
Contract No: 18/19-028
P/O REF: RMOB/6415

Final invoice for the PTOM Further Research Project, including:

- Time spent discussing access to information with operators between December 2018 and April 2019
- Discussions with MOT regarding future of project
- Remaining unbilled expenses from Phase 1

Total Fees: $1,748.00 (excl GST)
Plus 1% AoG Fee: $17.48 (excl GST)
Plus expenses: $339.82 for flights and taxis.
Total Invoice: $2,105.30 (excl GST)

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Payment may be made directly to our bank account as follows:
ANZ Bank
Commercial Banking Branch
Account #: [REDACTED]
Swift Code: [REDACTED]

Subtotal: $2,105.30
GST: $315.80
Total Amount: $2,421.10

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Terms: Payment of this invoice within 7 days would be appreciated.