

This note provides information and questions to discuss for a new transport Green Card. At your previous meeting with officials, you outlined your expectation to implement a Green Card by mid-2020. As a starting point, you suggested the scope for the Green Card could focus on free off-peak travel for community services and student cardholders. You requested further information on options, including advice on funding options.

## Background to this initiative

The Confidence and Supply Agreement between the Green Party and Labour Party includes an agreement to *“Investigate a Green Transport Card as part of work to reduce the cost of public transport, prioritising people in low income households and people on a benefit.”*

## Outcome/objective sought

Making transport more affordable for low-income earners could contribute to the transport outcome of **inclusive access**: enabling all people to participate in society through access to social and economic opportunities, such as work, education, and healthcare. We should pursue an approach that makes transport more affordable/inclusive for the least advantaged in society.

### 3 scope questions

#### 1. Who should be entitled to a Green Card?

##### Community Services Card (SCS) holders

- Everyone who receives a Work and Income benefit
- Everyone who is aged 18+ years on a low income
- Everyone on a Student Allowance (incl. 16-17 year olds)
- 550,000 people\*
- Overlaps with SuperGold cardholders

##### Full-time students

- This could include all full-time primary, secondary, and tertiary students, or just tertiary students
- 877,000 five to 18 year olds
- 413,000 tertiary students (including 60,000 international)
- 36% of all current public transport trips are by students

##### People with disabilities

- Also an important group to consider for inclusiveness
- Many people with disabilities have SuperGold and/or Community Service cards

##### Apprentices

- Initially included in the Green Party proposal
- It is unclear if there is a simple way to verify apprentices with IDs

Easier/quicker ←

Ease and speed to include in Green Card system

→ More difficult

#### 2. When could it be used?

##### Off peak travel only (weekdays 9am-3pm and after 6:30pm, all day weekends)

- Aligns with SuperGold cardholders eligibility in most regions
- + Would enable existing trains and buses to be used efficiently throughout the day, avoiding major new capital investments
- + Could help to spread travel peaks

##### Any time

- + Greatest accessibility benefits
- Likely to lead to increase crowding on some bus and train services in Auckland and Wellington that are already facing capacity limits at peak periods, affecting service quality, reliability, and journey times

#### 3. What should the entitlement be?

##### Fully funded travel

- + Aligns with SuperGold cardholders eligibility and simpler to implement

##### Partially funded travel

- + Funding could be lower, or applied to a broader group of people

### Funding

#### Potential costs

- In the time available, we have not completed detailed cost estimates, as we do not currently have sufficient data to enable this. Rough indicative costs are:
- \$21 million for all community service card holders (off peak only)
- \$23 million for all primary and secondary students (off peak only)
- \$25 million for all tertiary students (off peak only)

#### Funding sources

- **National Land Transport Fund (NLTF)**: would require an amendment to the GPS and appropriate engagement to signal this as a Government priority. NZTA has advised us that the NLTF is fully committed for 2018-2021, so additional revenue would be needed, or activities reprioritised.
- **Budget**: Would enable direct Ministerial influence, but benefits would need to be traded off against other Government initiatives

### Timing

#### Budget: key deadlines

- 5 October – complete preliminary budget initiative
- 12 October – advice to Minister Twyford on all transport budget initiatives
- 23 October – submit budget initiatives to Treasury
- 14 December – deadline for final completed initiatives to Treasury

#### Next steps, after agreeing on scope

- Write preliminary budget initiative
- Engage MSD to collaborate on budget initiative and alignment with SuperGold card changes
- Consult with NZTA and regional councils
- Complete proposal, including more detailed cost estimates