



To: Hon James Shaw, Associate Minister of Transport	MEMORANDUM
From: Brent Johnston, Manager, Mobility and Safety	
Date: 3 October 2018	

Funding and implementing a Green Card by 2020

At your previous meeting with officials, you outlined your expectation to implement a Green Card to reduce the costs of public transport for specific groups by mid-2020. The attached document provides a high-level summary of aspects to consider for determining the scope and funding arrangements for a Green Travel card.

We understand that the intention of the Green Travel card is to reduce the costs of public transport, prioritising people in low income households and people on a benefit. We have not conducted an analysis of alternative options to a Green Travel card for making travel more affordable and inclusive for the least advantaged people in society.

Making public transport free, or cheaper, will lead to increased patronage of public transport services. It will be important to consider impacts that this could have on existing bus, train, and ferry services, and the broader transport system. For example, some bus and train services in Auckland and Wellington are already facing capacity constraints. There will need to be sufficient capacity to avoid over-crowding on public transport services, as this adversely affects service quality, reliability, and journey times for all users. We will need to work with the New Zealand Transport Agency (NZTA) and regional councils to assess these impacts. We would also need to consider other implementation issues, such as potential funding caps (similar to the SuperGold card travel scheme that gives seniors free access to off-peak public transport services) and whether people will be able to use existing cards to access free/discounted fares (e.g. a Community Services Card or Student ID) in all regions.

Funding for this initiative would need to come from Budget 2019. Treasury guidance is that budget initiatives that align with one or more of the five Budget 2019 priorities and show cross-agency and cross-portfolio collaboration will be prioritised through Budget 2019 decision-making. There are five priorities for Budget 2019:

1. *Creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy*
2. *Supporting a thriving nation in the digital age through innovation, social and economic opportunities*
3. *Lifting Māori and Pacific incomes, skills and opportunities*
4. *Reducing child poverty and improving child wellbeing, including addressing family violence*
5. *Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s*

We would collaborate with the Ministry of Social Development (MSD) on a Green Card budget initiative. We are aware that MSD is also developing a budget initiative to expand the SuperGold card system. The relationship between these two bids should be considered.

Brent Johnston