

## Update on Green Transport Card Engagement Process

<b>Reason for this briefing</b>	We are prepared to begin engagement with local government on the Green Transport Card. This briefing highlights the proposed key messages and process for our engagement.
<b>Action required</b>	Note our proposed approach.
<b>Deadline</b>	None.
<b>Reason for deadline</b>	

### Contact for telephone discussion (if required)

Name	Position	Telephone	First contact
Richard Cross	Manager, Strategic Policy and Innovation	[REDACTED]	✓
[REDACTED]	Senior Adviser, Strategic Policy and Innovation	[REDACTED]	

### MINISTER'S COMMENTS:

9(2)(a)

<b>Date:</b>	5 February 2019	<b>Briefing number:</b>	OC190057
<b>Attention:</b>	Hon Julie Anne Genter, Associate Minister of Transport  CC Hon Phil Twyford, Minister of Transport	<b>Security level:</b>	In confidence

### Associate Minister of Transport's office actions

- Noted*
 *Seen*
 *Approved*
- Needs change*
 *Referred to*
- Withdrawn*
 *Not seen by Minister*
 *Overtaken by events*

## Purpose

1. On 12 December 2018 we sought your agreement for us to engage with local government to enable policy development for the Green Transport Card (GTC) (OC181166 refers).
2. This briefing summarises our proposed engagement process, including key messages, project governance, and next steps.

## We will encourage buy-in for the GTC by leading a positive, solutions-oriented approach

3. Local government support for this initiative will be crucial to implementing the GTC by mid-2020. Our previous experience with negotiating free public transport entitlements for the SuperGold card illustrates why this is important. In 2016, central government encountered strong opposition from local government when it changed the funding model for the SuperGold card. This was due to a lack of consultation, and regional councils' belief that they would be responsible for managing funding risks.
4. We will communicate the following key messages about the GTC to local government, as well as other central government stakeholders.
  - This initiative stems from an agreement in the Confidence and Supply Agreement between the Labour Party and Green Party 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".
  - We want to co-develop policy and implementation options for the GTC with councils and other government departments.
  - This is an opportunity to improve the wealth and health of people on low/no incomes, and to encourage greater use of public transport. It will benefit individual and community well-being.
  - It will complement other investments that central and local government are making to improve public transport, such as expanding public transport services and frequencies.
  - No funding decisions have been made. We anticipate that central government would need to fund the GTC directly until the next Government Policy Statement (GPS) on Land Transport comes into effect on 1 July 2021. Central government will consider funding the GTC from the National Land Transport Fund in the next GPS.
  - We are intending to begin by targeting the GTC at Community Service Card (CSC) cardholders and their dependent children. In the future, the Government intends to expand eligibility to tertiary students.
  - We are aiming to implement the GTC as soon as possible, making it available to CSC cardholders and their children by mid-2020.
  - We need to complete the policy work for the GTC by mid-2019. This is necessary for the GTC to be implemented in 2020, if funding is available. It will also enable the GTC to be integrated into the next GPS, which is being drafted this year.

- Cabinet will make policy and funding decisions. We are aiming to provide Cabinet with a paper on the GTC in June/July 2019.
  - Our initial thinking is that GTC cardholders will be entitled to travel fare-free in off-peak periods only. However, we are open to exploring other funding options (such as discounted travel in both peak and off-peak periods) to ensure the GTC delivers the best social and transport outcomes for the funds available.
5. We will not disclose the amount of budget funding that we are seeking for the GTC during engagement.

**We intend to establish a Governance Group and a Working Group**

6. We need to begin establishing these groups before Cabinet decides on the budget initiative, to enable us to develop the Cabinet Paper within the time available.
7. The Governance Group will develop senior-level support for the GTC and provide overall oversight of policy options for the GTC. It will highlight the GTC's key policy opportunities and challenges, and provide strategic advice to the Ministry of Transport on these issues.
8. The Governance Group will include senior representatives from regional councils, Local Government New Zealand, the Ministry of Transport, the NZ Transport Agency, and the Ministry of Social Development.
9. We intend to schedule the first Governance Group meeting for early March. This group will then meet fortnightly, or as required.
10. The Working Group, which sits under the Governance Group, will focus on the details of the GTC and the best ways to implement it. This will include, for example, modelling the impacts of the GTC on public transport networks, cost estimates, and how the GTC will integrate with existing cards and ticketing systems.
11. Attachment 1 identifies proposed members of the Governance Group and Working Group.

**We are working to the following timeline**

February 2019	Establish Governance Group and Working Group
March 2019	First Governance Group and Working Group meetings
March 2019	Cabinet decides on budget initiatives
May 2019	Draft Cabinet Paper and Regulatory Impact Assessment (RIA)
Early June 2019	Feedback and consultation on the Cabinet Paper and RIA
Late June/ late July 2019	Paper to Cabinet for consideration
July 2019	Establish governance and working arrangements to implement the GTC
July 2020	GTC implemented

**If Cabinet does not agree to the GTC budget initiative in March 2019, we can continue to investigate the GTC**

12. We could continue working with the Governance Group and Working Group to develop policy options and recommendations for the future.
13. If the GTC is to be included in the next GPS, we still need to complete policy work for the GTC before the next draft GPS is released in December 2019.
14. We would work with you to review the timelines for this project, and how to best proceed.

**To accelerate the engagement process, we have contracted a consultant with well-established networks among local government leaders**

15. Rick van Barneveld, an independent consultant, will join the Governance Group and assist our engagement with local government. One of Mr van Barneveld's previous roles was Chief Executive of Transit New Zealand.
16. We selected Mr van Barneveld because he has a wealth of relevant experience, and is well regarded by local government leaders in the transport sector. He also assisted central government in negotiating the SuperGold Card transport concessions with regional councils.

**There is a risk that councils could be unwilling or unable to implement the GTC within the available timeframe**

17. We will manage this risk by seeking strong agreement at the first Governance Group meeting on the social benefits of the card, and potential benefits for growing public transport.
18. We will also make it clear that implementing the GTC will depend on central government fully funding the GTC subsidies.
19. We will advise you of any potential obstacles if they arise.

**There is also a risk that stakeholders might discuss the GTC budget initiative with other agencies and the media**

20. To manage this risk, we have developed a Terms of Reference for the Governance Group and Working Group that addresses confidentiality issues (see Attachment 2).
21. We will request Governance Group members to maintain confidentiality that Cabinet will be considering a budget initiative for the GTC.
22. We will also make it clear that Cabinet has not considered or agreed to fund the GTC at this stage. Any funding decisions will depend on completing the policy work first.

**Next steps**

23. Subject to your approval to begin engagement, as sought in our briefing on 12 December 2018 (OC181166 refers), we will begin contacting potential candidates to join the Governance Group and Working Group.

24. We will regularly update you on key insights from the Governance Group and Working Group meetings, including views expressed by local government and other departments, and our progress in developing policy for the GTC.

**Recommendations**

25. We recommend that you:

- (a) **Note** the proposed process and key messages for our engagement with local government and other departments for the GTC's policy development. Yes/No

**Richard Cross**  
Manager, Strategic Policy and Innovation

**MINISTER'S SIGNATURE:**

**DATE**

RELEASED UNDER THE OFFICIAL INFORMATION ACT

## Attachment 1

### GTC Governance Group and Working Group Members (to be confirmed)

---

#### Proposed Governance Group

- [REDACTED] Ministry of Transport (Chair)
- [REDACTED] LGNZ
- Greg Campbell – Chief Executive of Greater Wellington Regional Council, and Chair of the Regional Government Public Transport Sector Group
- [REDACTED] Auckland Transport
- [REDACTED] Environment Canterbury
- [REDACTED] NZTA
- [REDACTED] Ministry of Social Development
- TBC – A representative from a smaller regional council
- Supported by Rick van Barneveld, Independent Director

#### Proposed Working Group

- Rick van Barneveld, Programme Director (Lead)
- [REDACTED] Auckland Transport
- [REDACTED] Greater Wellington Regional Council
- [REDACTED] Environment Canterbury
- [REDACTED] Hawkes Bay Regional Council
- [REDACTED] Horizons Regional Council
- [REDACTED] NZTA
- [REDACTED] LGNZ
- [REDACTED] Ministry of Social Development
- [REDACTED] Ministry of Transport
- [REDACTED] Ministry of Transport

9(2)(a)

## Attachment 2

### Green Transport Card (GTC) Policy Governance Group: Terms of Reference

---

#### Purpose

The Governance Group will enable central and local government agencies to investigate policy options and implications of the Government's GTC initiative. It will highlight key policy and operational issues of the GTC, and provide strategic advice to the Ministry of Transport (MoT) on these issues.

#### Background to the GTC

The Confidence and Supply Agreement between the Labour Party and Green Party includes an agreement to "investigate a GTC as part of work to reduce the cost of public transport, prioritising people in low income households and people on a benefit". MoT is investigating policy and implementation options for the GTC.

The card will initially be targeted at Community Services Card cardholders and their dependent children. There is an intention to expand it to full-time tertiary students in the future. If local government supports this initiative, and funding from central government is available, the card could be implemented in mid-2020.

The GTC will contribute to positive social outcomes, by making public transport more affordable, and therefore more inclusive, for people on low or no incomes. It will also have additional economic, environmental, health, and safety benefits, as public transport helps to manage congestion and is a safer and more environmentally friendly transport mode than private motorised transport.

#### Objective

To establish a shared basis for agreement between the Crown and local government on the GTC, to facilitate the GTC's introduction.

#### Approach

The Crown recognises the importance of collaborating with local government on the GTC, and establishing appropriate governance arrangements.

The Governance Group will focus on discussing the key policy issues of the GTC, including:

- understanding how the GTC could impact on existing public transport capacities
- estimating how much the GTC could cost to implement
- developing long-term funding arrangements
- establishing operational/implementation issues, including integration with existing cards and payment systems, and how travellers will demonstrate their eligibility for the GTC benefits.

To work through these issues, the Governance Group will:

- enable central and local government agencies to openly share their views on the proposal
- establish principles for assessing policy options
- provide feedback on potential policy options.

The Governance Group will be supported by a separate Working Group, which will include representatives from each organisation in the Governance Group. The Working Group will focus on the detailed modelling, operational, and implementation details of the GTC.

## Membership

The Governance Group will include senior representatives from regional councils, Local Government New Zealand, MoT, the NZ Transport Agency, and the Ministry of Social Development.

It will also include consultant Rick Van Barneveld, who has been contracted by MoT to lead the engagement process with councils.

## Meetings

Meetings are expected to occur monthly. The first meeting will be a two hour workshop in Wellington. Follow up meetings will be one hour, with an option to meet by teleconference.

A minimum of three members (including the Chair) are required for a meeting.

## Responsibilities

The Chair will:

- facilitate Governance Group meetings
- provide general direction on key discussions.

Members of the Governance Group will:

- provide oversight for progressing the GTC policy work
- advise on policy and implementation options that MoT will recommend to Ministers
- reflect the views of other key partner agencies and stakeholders in discussions.

Key decisions will be settled via consensus.

## Project leader

██████████ Senior Adviser at MoT, is the project leader for the GTC. He can be contacted at ██████████ ██████████

9(2)(a)

## Conflicts of interest

Each member will notify the project leader of any real or potential conflicts of interest as soon as they are aware of them. The Chair will determine the appropriate action to be taken in respect of any conflicts of interest in accordance with generally accepted best practice.

## Confidentiality

Details of this project need to remain confidential until policy decisions are made and announced by Government. Policy details are not to be shared beyond the Governance Group without explicit, written agreement from MoT.



## Plan and meetings schedule

An indicative timeframe for the Green Transport Card policy work is detailed below.

Indicative timeframe	Date
Initial conversations between MoT and local and central government agencies to establish the Governance Group and Working Group	February 2019
First Governance Group meeting (2 hours in Wellington)	March 2019
Fortnightly Working Group meetings	March-June 2019
Monthly Governance Group meetings (1 hour teleconference)	April-June 2019
Draft GTC Cabinet paper completed by MoT	End May 2019
Cabinet Paper to Cabinet for consideration	June/July 2019
Establish governance and working arrangements to implement the GTC (subject to Cabinet approval and funding)	July 2019 onwards
Implement GTC (subject to Cabinet approval and funding)	July 2020

## Changes to this Terms of Reference

The Governance Group will review this document as needed and make adjustments as required.

RELEASED UNDER THE OFFICIAL INFORMATION ACT