

# Template 1: Budget Initiative template

There are five sections of this template agencies need to fill out:

- Overview and context
- Detail on the investment proposal
- Wellbeing impacts and analysis
- Cost understanding and options
- Collaboration

## Overview and context

Key Question/area	Comment/answer
<b>Agency to complete</b>	
<b>Portfolio of lead Minister</b>	Hon Julie Anne Genter, Associate Minister of Transport
<b>Portfolio(s) of other Ministers involved (if this is a joint initiative)</b>	Hon Phil Twyford, Minister of Transport
<b>Votes impacted</b>	Vote Transport
<b>Initiative title</b>	Green Transport Card to reduce public transport costs for low-income households
<b>Initiative description</b>	This initiative will establish a Green Transport Card to provide free public transport during off-peak travel periods for Community Services cardholders, their dependent children and full-time tertiary students. This will make transport more affordable for low-income individuals and households. Free travel will give these people greater access to social and economic opportunities while reducing household costs. It will also contribute to a sustainable and low-emissions economy by encouraging people to use low-carbon transport modes instead of private cars. The initiative supports the Government's desired outcomes for both social development and transport.
<b>Type of initiative</b>	Priority aligning
<b>If this initiative relates to a priority, please outline the specific priority/ies it contributes to</b>	This bid will support the following priorities: <ul style="list-style-type: none"> <li>• Reducing child poverty and improving child wellbeing, including addressing family violence</li> <li>• Creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy</li> <li>• Lifting Māori and Pacific incomes, skills and opportunities</li> </ul>
<b>Does this initiative relate to a commitment in the Coalition Agreement, Confidence and Supply Agreement, or the Speech from the Throne?</b>	Yes – the following commitments in the Confidence and Supply Agreement between the New Zealand Labour Party and the Green Party. <ul style="list-style-type: none"> <li>• 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.</li> <li>• Make tertiary education more affordable for students and reduce the number of students living in financial hardship.</li> </ul>
<b>Agency contact</b>	Richard Cross, Manager Strategic Policy and Innovation, Ministry of Transport <a href="mailto:r.cross@transport.govt.nz">r.cross@transport.govt.nz</a>
<b>Responsible Vote Analyst</b>	Please provide the name of your Vote Analyst

## Funding

Funding Sought (\$m)	2019/20	2020/21	2021/22	2022/23 & outyears <sup>1</sup>	TOTAL
Operating	\$5million	\$102million	\$102million	-	\$209million

Funding Sought (\$m)	2018/19	2019/20	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Capital <sup>2</sup>	-	-	-	-	-	-	-	-	0

### Notes.

- Budget funding for this initiative would be for three years initially. After this time, ongoing funding could potentially be allocated from the National Land Transport Fund (subject to future Government policies and funding settings).
- Funding for 2020/21 and 2021/22 is contingent on detailed policy work being completed by mid-2019, and implementation systems being established in 2019/20.

## 1. Executive Summary

### 1.1 EXECUTIVE SUMMARY

#### A. Short summary of the proposed initiative and expected outcomes.

#### Aims of this initiative

- This initiative aims to improve the wealth and well-being of people in low-income households, and encourage travel by low-carbon transport modes, by reducing the costs of public transport for Community Services cardholders (and their dependent children) and full-time tertiary education students.
- Eligible people will be entitled to a Green Transport Card, which enables them to travel free on public transport during off-peak travel periods.
- Funding will be spent on public transport subsidies, with additional funding to implement and administer the system for providing Green Transport Cards.

#### Why it is required

- Transport provides people with access to social and economic opportunities, such as education, healthcare, work, and community services. Travel costs can be a barrier for low-income households, limiting their access to these opportunities.
- Many New Zealanders are highly dependent on private cars for transport, which leads to high household transport costs. This initiative will make public transport a cheaper alternative for many low-income households, and buffer them against the effects of volatile fuel prices and rising transport costs in the future.
- If no funding is provided, travel costs will continue to be a barrier for many low-income households to access opportunities and to participate fully in society.

#### Further information

- This initiative has not been considered previously.
- It is based on commitments in the Confidence and Supply Agreement between the New Zealand Labour Party and the Green Party.

<sup>1</sup> If funding is time-limited and does not carry on into out-years please delete the reference to “& outyears”

<sup>2</sup> The first 10 years of capital investment is counted against the multi-year capital allowance. Please reflect the full 10 year profile in the table.

## 2. The Investment Proposal

This section asks you to outline your overall investment proposal and intervention logic. It should be supplemented with a one page intervention logic map showing the progression from outputs, outcomes and impacts of the initiative. See template 5 for an example of an intervention logic map that you can use as a template or guide.

### 2.1 Description of the initiative and problem definition

**What is this initiative seeking funding for?**

This initiative will establish and fund a Green Transport Card that entitles Community Services cardholders and tertiary students to travel free on public transport during off-peak periods. This is a new investment.

It will support the following priorities:

- *Reducing child poverty and improving child wellbeing, including addressing family violence:* by reducing household travel expenses for low-income families (i.e. Community Services cardholders). Eligible children in these households who do not have access to a car (for financial reasons, or because they are too young to drive) will benefit from cheaper access to social and economic opportunities via public transport.
- *Creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy:* by encouraging greater use of public transport (a low emissions transport mode) as an alternative to using private motorised vehicles.
- *Lifting Maori and Pacific incomes, skills, and opportunities:* by making it more affordable for low-income Maori and Pacific households to access social/economic opportunities, including tertiary education, via public transport. It will increase disposable income by reducing household travel costs. Approximately 27 percent of Maori and 16 percent of Pacific peoples have a Community Services card.

**Why is it required?**

This initiative is based on a commitment in the Confidence and Supply Agreement between the New Zealand Labour Party and the Green Party to investigate a Green Transport Card to reduce the cost of public transport, prioritising people in low-income households and people on a benefit.

Transport allows people to access social and economic opportunities such as education, healthcare, and jobs (which affect human capital) and community connections (i.e. social capital). High travel costs often have a disproportionate impact on low-income households, as travel is usually a non-discretionary activity to access places for learning, earning, and participating in society.

Many New Zealanders are highly dependent on private cars for transport, which leads to high household transport costs. This initiative will make public transport a cheaper alternative for many low-income households, and buffer them against the effects of volatile fuel prices.

Future policy interventions to decarbonise New Zealand's transport may also increase the costs of car travel for low-income households using old non-efficient vehicles. This initiative will help to counter rising travels cost for many low-income people, and enable them to continue accessing social and economic opportunities, by making it more affordable to reach destinations by public transport. It will, therefore, allow many low-income people to be more resilient to rising transport costs (from policy interventions and/or rising fuel costs) in the future.

## 2.2 Options analysis and fit with existing activity

**What other options were considered in addressing the problem or opportunity?**

To meet the aim of reducing public transport costs for low-income households and people on a benefit, we generated options by considering three key scope questions:

1. Who should be entitled to a Green Transport Card?
2. When should cards be valid for travel?
3. How large should the discount be?

Pros and cons for each option are discussed below.

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

- We considered three main options: Community Services cardholders, full-time tertiary students, and full-time school students.
- We assessed these options according to how well they meet the 'low-income households' target population, and how easy it would be to implement a card for each group.
- **Community Services cardholders** are already recognised by government as low-income households. It would also be straightforward to provide a Green Transport Card to these people. This option was included.
- **Full-time tertiary students** are on low incomes while they are studying. Many tertiary students use public transport to travel to/from educational institutes. Making public transport cheaper would make tertiary education more affordable for students. This option was included.
- **Primary and secondary students** live in households with a wide range of wealth. They also receive a 50 percent discount on public transport in most regions. There are over 850,000 school students in New Zealand, so it would also be more difficult and expensive to make a Green Transport Card available to all students. This option was excluded.

### 2. When should cards be valid for travel?

- We considered two options: during off-peak travel periods only (weekdays 9am-3pm and after 6:30pm, and all day on weekends) or any time.
- **Off-peak travel periods** align with the public transport travel entitlements for SuperGold cardholders in most regions. This would allow existing local trains, buses and ferries to be used efficiently throughout the day, avoiding major new capital investments. It could also help to spread travel peaks, reducing traffic congestion. This option was selected.
- **Travel any time** would provide the greatest accessibility benefits. However, this would also come at a greater cost. It would also be likely to generate increased crowding on some bus and train services in Auckland and Wellington that are already facing capacity limits at peak periods. This would adversely affect service quality, reliability, and journey times. This option was excluded.

### 3. How large should the discount be?

- We considered two options: fully funded travel (i.e. free public transport) or partially-funded travel (e.g. a 50% discount).
- **Fully funded travel** aligns with the free public transport entitlements of SuperGold cardholders during off-peak travel periods. This option would be simpler for regional councils and public transport operators to implement compared with developing another new fare structure just for Green Transport cardholders. Public transport costs also vary across regions, so it would be more equitable to make services free for eligible cardholders throughout New Zealand. The fully funded option was selected.

	<p>We have not considered these options against other interventions that could achieve similar outcomes, but do not involve free or subsidised public transport (for example, funding community-based transport schemes).</p>
<p><b>What other similar initiatives or services are currently being delivered?</b></p>	<p>The SuperGold card provides free off-peak travel on public transport for approximately 750,000 New Zealanders aged 65+, at an annual cost of \$28million. Approximately 285,000 of the 830,000 Community Services cardholders have a SuperGold card. People 65 years and older will continue to receive a SuperGold card instead of a Green Transport Card. This will help to avoid confusion for cardholders (as SuperGold cards offer additional entitlements) and will reduce administration costs.</p> <p>There are no other initiatives targeted at making transport more affordable for Community Services cardholders.</p> <p>Tertiary education students in some regions currently receive discounts on public transport. In Palmerston North, full-time tertiary students can travel for free. In Auckland and Wellington, they receive a 25% discount on fares. Local councils pay for these discounts, funded via ratepayers and higher fares paid by other commuters.</p>
<p><b>What other, non-spending arrangements in pursuit of the same objective are also in place, or have been proposed?</b></p>	<p>None.</p>
<p><b>Strategic alignment and Government's priorities/direction</b></p>	<p>This initiative contributes to the following outcomes of the transport outcomes framework, which has been adopted by the Ministry of Transport (as recognised in our Statement of Intent) and by other transport agencies:</p> <ul style="list-style-type: none"> <li>• <b>Inclusive access</b> - <i>enabling all New Zealanders to access social and economic opportunities such as work, education, and healthcare</i>: it will make it easier for low-income people to access opportunities that improve their wellbeing, by reducing/removing the cost barriers to travel.</li> <li>• <b>Environmental sustainability</b> – <i>transitioning to net zero carbon emissions, and maintaining or improving biodiversity, water quality, and air quality</i>: it will encourage people to travel by public transport, which is a lower carbon form of travel than using a private car.</li> </ul> <p>It also aligns with the direction of the Government Policy Statement on Land Transport 2018/19-2027/28, which includes two key strategic priorities to improve access and safety. It will encourage greater use of public transport, supporting the Government's aims to encourage transport mode shift towards public transport, walking, and cycling. Public transport is also the safest form of travel in New Zealand.</p>
<p><b>2.3 Outcomes</b></p>	
<p><b>Overall outcomes expected from this initiative</b></p>	<p>The main outcomes of this initiative are:</p> <ul style="list-style-type: none"> <li>• more affordable access to social and economic opportunities, and reduced financial hardship, for low-income households and people on a benefit in urban areas;</li> <li>• more affordable access to tertiary education institutes, and reduced financial hardship, for full-time tertiary students in urban areas;</li> </ul>

	<ul style="list-style-type: none"> <li>• more efficient use of existing public transport infrastructure, by utilising spare capacity at off-peak travel periods; and</li> <li>• improved environmental and health outcomes, and reduced congestion, by supporting a transport mode shift from private vehicles to public transport.</li> </ul> <p>Public transport services are most developed in large urban areas. This means that low-income households in cities with regular public transport services will benefit more from this initiative, compared to those living in small towns and rural areas.</p>
<b>2.4 Implementation, Monitoring and Evaluation<sup>3</sup></b>	
<b>How will the initiative be delivered?</b>	<p>This initiative will be contingent on completing detailed policy advice and more accurate cost estimates by mid-2019.</p> <p>The Ministry of Transport and Ministry of Social Development will draw on past experiences in successfully implementing and administering free public transport entitlements for SuperGold cardholders, as the processes will be similar. Key steps for delivery will include the following:</p> <ul style="list-style-type: none"> <li>• Establishing a governance group with representatives from central government departments, the New Zealand Transport Agency and regional councils to address implementation issues.</li> <li>• Verifying public transport service capacities during off-peak periods, particularly in Auckland and Wellington.</li> <li>• Considering any implications for existing contracts between regional councils and public transport operators under the Public Transport Operating Model.</li> <li>• Working with the Ministry of Social Development and Ministry of Health to establish processes for providing Transport Green Card entitlements to Community Services cardholders.</li> <li>• Working with regional councils to establish processes for providing Green Transport Card entitlements to full-time tertiary students.</li> </ul> <p>Key implementation risks or uncertainties are highlighted below:</p> <ul style="list-style-type: none"> <li>• We do not know how much demand for public transport services will grow, and associated cost implications, as a result of making travel free at off-peak periods. We will mitigate this risk by investigating the travel impacts of making public transport free for SuperGold cardholders during off-peak periods, and modelling likely impacts. We anticipate using the 'capped' funding model which is already used for the Super Gold Card to reduce the financial risk to the Crown.</li> <li>• We need to ensure that public transport networks have sufficient capacity at off-peak periods to meet demand without adversely affecting network performance. We will mitigate this risk by working with regional councils to verify network capacities.</li> <li>• We will need to ensure that people who are not entitled to a Green Transport Card do not use others' cards. We will mitigate this risk by investigating photo ID options, and linking the card to existing forms of ID (e.g. tertiary student ID cards).</li> </ul>
<b>How will the implementation of the initiative be monitored?</b>	Monitoring arrangements will be established when detailed policy work for this initiative is completed in 2019.

<sup>3</sup> This doesn't necessarily have to include a full implementation and evaluation plan, however the information provided must provide confidence that the proposal will be successfully delivered and there is a plan to ensure that the outcomes described are actually achieved.

**Describe how the initiative will be evaluated**

Evaluation arrangements will be established when detailed policy work for this initiative is completed in 2019.

### 3. Wellbeing Impacts and Analysis

This section builds on the information provided in section 2 above and goes into further detail on the impacts, evidence and assumptions underpinning the intervention logic. It also asks that you demonstrate how your initiative will impact on wellbeing domains, the four capitals and risk and resilience.

The focus is on showing a strong narrative underpinned by evidence rather than monetisation of benefits and showing a positive return on investment. However, the use of the CBAx tool and monetisation is encouraged for key impacts with good evidence where it will strengthen the case for intervention.

Completion of this section is strictly limited to a maximum of three pages. This section helps the Treasury to assess and advise how the proposed initiative will impact the wellbeing of New Zealanders relative to the counterfactual. It may be provided to Ministers to support Budget prioritisation.

Impact summaries need to be framed against the three components of the Living Standards Framework, with supporting evidence where available:

- **Wellbeing domains** – identify the value to New Zealand, magnitude and timeframe (up to 50 years) for impacts on the primary and (up to three) secondary domains targeted.
- **Four capitals** – identify the draw-downs, build-ups and/or transfers across the four capitals (physical, social, natural, human) resulting from funding the initiative.
- **Risk and resilience** – linking to the counterfactual and intervention logic, explain how the initiative adapts to or absorbs risk and/or how it maintains or builds resilience













Please be aware that impacts or evidence are not mutually exclusive between wellbeing domains, capitals, and risk and resilience. They are interrelated cuts of the same information, we would expect that some answers may be duplicated.

#### 3.1 Wellbeing domains – People's experience of wellbeing over time




##### Identify and quantify how the initiative impacts on wellbeing domains

Please fill in Table 3.1 below. Impacts need to be grouped under the relevant domains, as provided in the key below. Use the relevant domains, ordering them from top to bottom according to which domain your initiative achieves the greatest impact in. This analysis must also capture any negative impacts.

The wellbeing domains are outlined here for you to use in your table:


Civic engagement and governance 	Jobs and earnings 
Cultural identity 	Knowledge and skills 
Environment 	Safety 
Health 	Social connections 
Housing 	Subjective wellbeing 
Income and consumption 	Time-use 
	Other

## 3.1 Wellbeing domains – People's experience of wellbeing over time

Domains	Impact(s) description	Who are affected?	Magnitude of impact	How big?	Realised in	Evidence base	Evidence quality
				High/ Moderate/ Low	<5 / 5-10 / 10+ years	Nature of evidence and key references	High/ Medium/ Low
<b>Social connections</b> 	Increased access and connectivity between people, their family/whanau, and community services	Low income households and full-time tertiary students in urban areas served by public transport	To be assessed after further policy work	Moderate	Ongoing		
<b>Income and consumption</b> 	Increased household disposable income	Low income households and full-time tertiary students in urban areas served by public transport	To be assessed after further policy work	Moderate	Ongoing		
<b>Subjective wellbeing</b> 	Improved access for low-income earners to participate in, and feel included in, society	Low income households and tertiary students in urban areas served by public transport	To be assessed after further policy work	Moderate	Ongoing		
<b>Knowledge and skills</b> 	Improved opportunities / cheaper access to tertiary education	Full-time tertiary students	To be assessed after further policy work	Low	Ongoing		
<b>Environment</b> 	Lower greenhouse gas emissions from transport	All New Zealanders	This depends on how much of a mode-shift this initiative causes from travel by cars to public transport, and is difficult to estimate	Low	Ongoing		
	Better local air quality, due to less vehicle pollution	New Zealanders living in dense urban areas where transport emissions affect air quality the most	This depends on how much of a mode-shift this initiative causes from travel by cars to public transport, and is difficult to estimate	Low	Ongoing		
<b>Safety</b> 	Reduced injuries caused by people driving light passenger vehicles	People in urban areas	This depends on how much of a mode-shift this initiative causes from travel by cars to public transport, and is difficult to estimate	Low	Ongoing	Public transport is the safest form of travel in New Zealand (NZ Transport Outlook)	High
<b>Health</b> 	Improved physical and mental wellbeing of people travelling	Low income households and tertiary students in urban areas served by public transport	This depends on how much of a mode-shift this initiative causes from travel by cars to public transport, and is difficult to estimate	Low	Ongoing	People who use public transport tend to be more physically active than those who travel by car	High
	Reduced health impacts and costs due to improved local air quality	People living in dense urban areas	This depends on how much of a mode-shift this initiative causes from travel by cars to public transport, and is difficult to estimate	Low	Ongoing	Public transport vehicles with high occupancy levels produce less local air pollution than many low occupancy cars	High



## 3.2 Wellbeing capitals – Sustainability for future wellbeing

 <b>Capitals</b>	Describe the impact and its magnitude	Realised in <5 / 5-10 / 10+ years
Financial/Physical	<b>Decrease.</b> This initiative draws down financial capital to fund free public transport services.	<5 years as the cost is immediate
Human	<b>Increase.</b> Transport costs can be a barrier for low-income people to access health services, education, and work. This initiative will improve access to social and economic opportunities, which could lead to improved outcomes for people's health, knowledge, and skills.	<5 years as access to opportunities will improve as soon as card is implemented
Natural	<b>Maintain.</b> This initiative will reduce environmental pressures. It will support the transition to lower-carbon transport modes. Higher public transport use will reduce the need for private vehicles (and associated parking and road infrastructure), which will encourage more efficient resource and energy use.	5-10 years
Social	<b>Increase.</b> Transport costs can be a barrier for low-income people to travel to meet whanau/family and reach places in their community. This initiative will enable people to grow their social connections and participate more fully in society.	<5 years as access to opportunities will improve as soon as card is implemented

## 3.3 Risk and resilience narrative

**Does the initiative respond to or build resilience?**

Making public transport more affordable for low-income people will allow them to be more resilient to the effects of rising transport costs in the future (e.g. increasing fuel prices, increasing transport levies, increasing vehicle costs). It will make public transport more affordable (where these services exist), so that low-income people are less reliant on using private motorised vehicles.

## 4. Costing understanding and options

This section will provide further information on the costs of delivering the initiative and options for scaling and phasing to support assessment, prioritisation and decision-making.

### 4.1 Detailed funding breakdown

Please provide a breakdown of the costs of this initiative

Cost estimates are provided below.

(\$m)	2019/20	2019/20	2021/22
Operating: Implementation funding	\$5million	X	X
Operating: Administrative costs		\$100,000	\$100,000
Operating: Public transport subsidies for Community Services cardholders and their dependent children	X	\$48million	\$48million
Operating: Public transport subsidies for full-time tertiary students	X	\$54million	\$54million

These estimates are based on the following:

- Estimating the number of trips that each group would take by public transport (averaged across New Zealand), based on historical data gathered from the Household Travel Survey 2009-2014.
- 545,000 Community Services cardholders under 65, and their dependent children, taking an average of 30 trips per year.
- 348,000 full-time tertiary students who do not have a Community Services card taking an average of 65 trips per year.
- An average fare of \$2.40 per adult and \$1.20 per child. This is the New Zealand Transport Agency's (NZTA) average fare per boarding.
- Total costs could be higher, as people will use public transport more if it is free. We have not yet been able to estimate how much public transport use could grow.

As a comparison, the SuperGold scheme provides free off peak travel on public transport for 750,000 seniors at an annual cost of \$28 million.

The implementation cost of approximately \$5 million and administration cost of approximately \$100,000 per year are based on the costs to establish and administer the Super Gold Card.

We are planning to complete more detailed and accurate cost estimates in 2019, before implementation.

### 4.2 Options for scaling and phasing

Scaling, phasing or deferring - including 75% and 50% scenarios

Options to phase this initiative:

1. **Make the Green Transport Card available for Community Services cardholders in 2020, followed by full-time tertiary students in 2021+.** This may enable quicker implementation of the Green Transport Card, and allow us to monitor the impacts of the card (including travel demand and costs, and impacts on local public transport networks) before it is extended to students. This would achieve the benefits for Community Services cardholders, but it would

delay the benefits for students (except the 16 percent of tertiary students who have a Community Services card).

Options to scale this initiative:

1. **75% option: Make public transport 75% cheaper for Green Transport cardholders, instead of free.** This would deliver less than 75% of the benefits (but more than 50%), as cost would still be a barrier for many people using public transport. Regional councils and public transport operators may resist implementing another fare structure that is not aligned with other concessions that they offer.
2. **50% option: Make public transport half-price for Green Transport cardholders, instead of free.** This would be aligned with child concessions in most regions. It would deliver less than 50% of the benefits, as cost would still be a barrier for many people using public transport. Cardholders would be more discerning about using public transport, so there would be less impact on the capacity of local public transport networks.
3. **50% option: Only make the Green Transport Card available for Community Services cardholders and their dependent children (not tertiary students).** This would achieve the benefits for Community Services cardholders, but would not achieve benefits for most students. It may create perceived equity issues among tertiary students that those with a Community Services card (approximately 16% of students) will be entitled to a Green Transport Card, while most students will not get this benefit.

## 5. Collaboration

*This section provides information on how agencies have engaged both within and outside of their own departments in the development of this initiative. Cross-agency and cross-portfolio collaboration are both important in this context. Please ensure this section is clear and succinct, and no longer than one page.*

5.1 Collaboration and evidence	
<b>What type of cross-agency and/or cross-portfolio initiative is this?</b>	<p>This is a cross-portfolio and cross-agency initiative.</p> <ul style="list-style-type: none"> <li>The Ministry of Transport will lead the policy development, working closely with the Ministry of Social Development (MSD). It is anticipated that the Ministry of Social Development will implement and administer the card.</li> </ul> <p>The New Zealand Transport Agency (NZTA) and Regional Councils will have joint responsibility for delivery, similar to the arrangements for the SuperGold scheme that provides free off-peak travel for seniors.</p>
<b>Agencies and Ministers that have been engaged in initiative development</b>	<p>The following Ministers have been closely engaged in developing the scope of this initiative:</p> <ul style="list-style-type: none"> <li>Hon James Shaw, Acting Associate Minister of Transport; and</li> <li>Hon Phil Twyford, Minister of Transport.</li> </ul> <p>On 2 November 2018, there was a meeting between Hon Shaw, Hon Sepuloni (Minister of Social Development) and Hon Martin (Seniors Minister) to discuss the relationship between the Green Transport Card and the SuperGold card. The proposed entitlements between the two cards overlap, so we have clarified the relationship between the two cards to avoid implementation difficulties.</p> <p>We have shared briefings on this budget initiative with MSD and NZTA.</p> <p>We have also initiated engagement with the Ministry of Health, which administers the Community Services card.</p>
<b>Impact of cross-agency collaboration</b>	<p>We have collaborated with MSD to address concerns about potential overlaps between the public transport entitlements of the SuperGold card and the Green Transport Card. They have advised us of implementation challenges we may face, based on their experience with SuperGold cards. We are working with MSD to make administration processes as simple as possible, to manage costs.</p> <p>NZTA advised us early in the development of the Green Transport Card initiative that there is currently no capacity for funding this initiative from the National Land Transport Fund, as funding is fully allocated.</p> <p>The Ministry of Health noted that it is supportive of the initiative to reduce travel costs for Community Services cardholders because transport is a barrier to access to health services. We are working with the Ministry of Health to confirm updated statistics for the number of Community Services cardholders, as we have been advised that there will be an increase in the number of people who are eligible for a Community Services card from 1 December 2018. We will factor this in to our cost estimates.</p>
<b>Risks and challenges</b>	<p>We are aiming to align the free off-peak travel period for public transport with the same off-peak period used by the SuperGold card in most regions (except Auckland, where entitlements are greater). MSD has raised the option of extending off-peak travel entitlements for SuperGold cardholders, as the Coalition Agreement between New Zealand First and the Labour Party includes an agreement to introduce a new generation SuperGold smartcard containing entitlements and concessions. MSD is not currently pursuing budget funding for this initiative, but have signalled that it intends to explore this option further. If SuperGold travel entitlements are extended, Green Travel</p>

cardholders may develop expectations for similar entitlements. We will continue to work with MSD to manage the relationship between the two cards.

We expect regional councils to raise concerns about the costs of implementing the Green Travel card, and impacts on the capacity of local public transport networks. We are intentionally aiming to limit free travel to off-peak periods, when excess capacity usually exists. We will establish a governance group with representatives from regional councils and NZTA to ensure that all implementation issues can be adequately addressed.

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