

Green Transport Card Project Plan

Reason for this briefing	To advise you on the approach and timeframes for progressing policy decisions to implement the Green Transport Card.
Action required	Agree for us to engage with stakeholders on the Green Transport Card, and to work towards a draft Cabinet paper.
Deadline	25 January 2019
Reason for deadline	We need to begin engaging with local government on the Green Transport Card in January 2019, to enable policy development.

Contact for telephone discussion (if required)

Name	Position	Telephone	First contact
██████████	Acting Manager, Strategic Policy and Innovation	██████████	✓
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MINISTER'S COMMENTS:

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Date:	12 December 2018	Briefing number:	OC181166
Attention:	Hon Julie Anne Genter	Security level:	In confidence

Minister of Transport's office actions

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- Withdrawn*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

Purpose

1. This briefing summarises key steps and milestones to complete policy work for the Green Transport Card (GTC), and seeks your agreement for us to engage with stakeholders on this initiative.

We will complete policy work for the GTC in 2019

2. On 14 December 2018, we are submitting the GTC budget initiative to the Treasury. This aims to fund a GTC for Community Services Card holders and their dependent children.
3. Budget funding, if Cabinet agrees to this initiative, is contingent on completing detailed policy work for the GTC by 30 June 2019.
4. At your meeting with Hon Twyford on 10 December 2018, you determined that GTC eligibility should expand to cover full-time tertiary students in the future. We will complete additional policy work in 2019 to enable this. Additional funding to cover tertiary students will require a new budget initiative.

There are four main challenges that we will address during policy development

5. These challenges are:
 - 5.1. **Developing positive relationships with local government to co-design and implement the GTC:** regional councils manage public transport networks locally, set fares, and subsidise trips. We will need to work closely with regional councils for modelling, policy development, and funding arrangements. We have not consulted local government on the proposed scope of the GTC, implementation issues, or how to ensure the best outcomes from the GTC for low-income households. We are planning to start engaging with local government in January 2019, with your approval.
 - 5.2. [REDACTED]
 - 5.3. **Accurate modelling:** we need to estimate how often GTC holders will use the card, and anticipate changes in travel behaviour, to inform cost estimates and funding negotiations.
 - 5.4. **Integrating the GTC with existing cards:** we will need to confirm how to integrate the GTC with existing Community Services Cards, student ID cards, and public transport smartcards in some regions (e.g. HOP cards in Auckland and Snapper cards in Wellington). We will also need to investigate ways for GTC cardholders to verify their identity and eligibility for discounted travel.

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We have developed a project plan for the first phase of policy development, targeted at Community Services cardholders and their dependent children

6. Key steps in the GTC project plan include:
 - 6.1. Establishing a governance group chaired by the Ministry of Transport, which would include the New Zealand Transport Agency (NZTA), Ministry of Social Development (MSD), and senior leaders from regional councils.
 - 6.2. Co-designing the approach to implement the card with stakeholders including MSD, the Ministry of Health (MoH), regional councils, and public transport operators.
 - 6.3. Modelling benefits and costs of the GTC, integrating data from regional councils.
 - 6.4. Assessing capacities of local public transport networks to meet increased travel demand.
 - 6.5. Negotiating funding principles and implementation agreements with NZTA and regional councils.
 - 6.6. Establishing monitoring and evaluation processes.
 - 6.7. Completing a Regulatory Impact Assessment.
7. We are aiming to complete these steps and provide you with a detailed implementation plan for the GTC, as well as a Cabinet Paper, by 30 June 2019.
8. The main project milestones are:

Milestone	Due date
Engagement with regional councils begins (subject to Ministerial agreement)	Late January 2019
Governance group for detailed policy work established and meets	February 2019
First draft of Cabinet Paper and Regulatory Impact Assessment completed	May 2019
Feedback and consultation period starts on the Cabinet Paper/Regulatory Impact Assessment	Early June 2019
Cabinet Paper to Cabinet for consideration	Late June/late July 2019*
Detailed policy work project completed; implementation begins	July 2019
GTC implemented	July 2020

*The House is in recess 28 June-22 July

There is a risk to consider

9. Funding negotiations with regional councils may be incomplete by 30 June 2019. If this occurs, we will work with regional councils and NZTA to agree on funding principles by this date, and finalise details by the end of 2019.

We will consider how to best expand the GTC to tertiary students during the initial phase of policy development

10. We will make it clear in our engagement with regional councils that there is an intention to expand the eligibility of the GTC to full-time tertiary students, after it has been implemented for Community Services Cardholders and their dependent children.
11. We will work with regional councils to include tertiary students in the modelling of public transport usage, network capacities, and cost estimates.
12. We have also started engaging with the Tertiary Education Commission to investigate the best approach for providing a GTC to tertiary students.

We will explore a range of options for the GTC during policy development

13. When we first discussed the scope of the GTC with Hon Shaw in October 2018, we had not fully investigated how to deliver the best outcomes for low-income groups and the transport system.
14. We have now discussed this initiative with officials at other agencies, including NZTA, MSD, MoH, and the Department of Prime Minister and Cabinet's Child Poverty Unit.
15. Officials in these agencies are generally supportive of the initiative to reduce the costs of public transport for Community Services cardholders and their dependent children. They note that this will make travel more affordable for many low-income households, and could help to alleviate poverty. It will also reduce travel barriers for people accessing health services, such as local GPs.
16. However, some officials have queried the merits of limiting the entitlements to off-peak periods only, as many Community Services cardholders (and their dependent children) need to travel to and from work or education at peak periods.
17. Based on initial feedback from other agencies, it would be useful to consider a wider range of concession rates and times that the GTC could apply when we undertake detailed policy work. These options would need to be constrained by funding estimates in the existing GTC budget initiative. For example, we could investigate extending the travel entitlements to any time of day, but discount fares (e.g. by 50 percent) instead of making travel completely fare-free at off-peak periods only. This may lead to greater social benefits, and would encourage mode shifts to public transport at peak travel periods.
18. Keeping options open will benefit our engagement and negotiations with regional councils on the GTC. This is likely to enable more effective implementation of the GTC.
19. We will advise you on potential options to consider, and further feedback from stakeholders, during the policy development process.

We need your approval to engage with stakeholders on the GTC

20. The GTC budget initiative is classified 'budget sensitive', so we have not been able to share this initiative with regional/local government agencies, or tertiary education providers. Due to the short implementation period, we need to start engaging with these stakeholders as soon as possible.
21. There is a risk that some regional councils could disrupt the policy development and implementation processes, and share details about the GTC publicly, if they do not support

the GTC. We could initiative engagement with councils on the condition that discussions are in-confidence, and part of the process for delivering on the Confidence and Supply Agreement between the New Zealand Labour Party and the Green Party to investigate a GTC.

We recommend sharing this initiative with other Ministers

- 22. On 6 November 2018, Hon Shaw met with Hon Sepuloni (Minister for Social Development) and Hon Martin (Minister for Seniors) to discuss the GTC and its relationship with the SuperGold card.
- 23. We recommend sharing the GTC budget initiative and this briefing with Hon Martin and Hon Sepuloni, to keep them updated about this initiative.
- 24. We also recommend sharing this initiative and briefing with Hon Clark (Minister of Health), as we have been engaging with officials at the Ministry of Health.

Recommendations

- 25. We recommend that you:
 - (a) **Agree** for us to consult with regional councils and other stakeholders on the GTC. Yes/No
 - (b) **Agree** for us to prepare a draft Cabinet paper (to be lodged in July 2019), that will incorporate feedback from engagement and seek policy decisions on the GTC. Yes/No
 - (c) **Agree** to share the Green Transport Card budget initiative and this briefing with Hon Sepuloni, Hon Martin, and Hon Clark. Yes/No

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Acting Manager, Strategic Policy and Innovation

MINISTER'S SIGNATURE:

DATE: