

Budget 2023 Submission for Invited New Spending Priorities and CERF Initiatives

Section 1: Overview

Section 1A: Basic initiative information

Initiative title (max 120 characters)	Extending Community Connect to under 25 year olds and Total Mobility passengers				
Lead Minister	Minister of Transport, Hon Michael Wood	Agency	Te Manatū Waka Ministry of Transport.		
Initiative description (max 800 characters)	This initiative will expand the Community Connect public transport concession to under 25-year-olds and all Total Mobility passengers (Total Mobility is a bespoke transport service available to those unable to use public transport due to an impairment). Community Connect is a 50 percent concession on the adult fare for peak and off-peak services and will be available to Community Services Card (CSC) holders from 1 April 2023. Expanding Community Connect to these user groups is intended to encourage increased public transport use, supporting mode-shift and meeting the vehicle kilometres travelled (VKT) reduction target. This extension is targeted to be implemented in the second half of 2023.				
Priority area	<input checked="" type="checkbox"/> New Spending – Invited operating initiatives	<input type="checkbox"/> New Spending – Invited capital initiatives (outside the Investment Panel process)	<input type="checkbox"/> Climate Emergency Response Fund (CERF)	<input checked="" type="checkbox"/>	
Is this a cross-Vote initiative?	No	Click or tap here to enter text			
Department contact	Name: Helen White Phone: s 9(2)(a) Email: h.white@transport.govt.nz		Treasury contact (Vote Analyst)	Name: Olivia Maxwell Phone: s 9(2)(a) Email: Olivia.maxwell@treasury.govt.nz	

Section 1B: Summary of funding profile

Operating funding sought through Budget 2023 (\$m) – Total Mobility Users										
2022/23	2023/24	2024/25	2025/26	2026/27 & outyears*	Total					
[•]	98.048	91.664	94.065	93.636	377.413					
*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.										
Capital funding sought through Budget 2023 (\$m)										
22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32*	Total
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
*Extend the profile above if funding is needed beyond 2031/32.										

Section 2: Alignment

Section 2A: Problem definition


The answer to each question must not exceed 2-3 paragraphs

<p>What is the problem that this initiative is trying to solve and why does it need to be solved now?</p>	<p><i>Describe the problem the initiative is trying to solve by outlining its root cause(s) and consequence(s) and explain why the problem needs to be solved now. The problem should be framed in terms of current and/or future outcome(s) for New Zealanders.</i></p> <p>The Emissions Reduction Plan (ERP) includes a transport target to reduce vehicle kilometres travelled (VKT) by cars and light vehicles by 20 percent by 2035. Achieving this target is critical for reducing transport emissions by 41 percent by 2035, as suggested by the Climate Change Commission. The ERP makes significant commitments to make it easier, safer, and more affordable to travel by public transport, rather than by car. It also makes commitments to improve access and travel choice for the disadvantaged. This work has started with the development of Community Connect for Community Services Card (CSC) holders, expected to start 1 February 2023.</p> <p>Expanding the original concession scheme to include under 25-year-olds and Total Mobility users is an opportunity to improve transport equity and support a just transition by making it more affordable for more people to access key social and economic opportunities (such as jobs, education, and healthcare).</p> <p>Transport Indicator data demonstrates that lower income households spend a much greater proportion of their income on transport costs than higher income households, and access to health, jobs and other opportunities is much more limited. Lower income households are also much more sensitive to price changes, meaning policies that could increase the cost of motor vehicle travel (such as congestion charging and the ETS) could have a disproportionate impact on these communities. This could exacerbate transport disadvantage and poverty.</p> <p>Transport affordability is a key issue for the disability community and can hinder their ability to engage in society. Recent research into transport experiences of disabled people in Aotearoa New Zealand has identified cost as a key barrier for total mobility, as well as availability of services. Te Manatū Waka is currently scoping a review of Total Mobility to investigate these issues further, but in the interim proposes to extend Community Connect to Total Mobility passengers to help address the immediate issue of affordability.</p>
	<p><i>Describe the existing arrangements for the asset or service, including (where applicable):</i></p> <ul style="list-style-type: none"> - How services are currently organised and provided; - The associated throughput, turnover, and existing cost; and - Current asset or service availability, utilisation, and condition. <p><i>Departments should be able to demonstrate why the existing arrangements (if there are any) are insufficient to address the problem outlined above.</i></p> <p>Public transport services, including fare settings, are the responsibility of public transport authorities (PTAs). PTAs are regional councils, Auckland Transport, unitary authorities (other than Auckland Council) and territorial authorities that have the public transport function. There are currently a range of different concessions that may be available to under 25s; however, the level of discount and eligibility criteria vary significantly across the country.</p> <p>Currently, public transport services across Aotearoa New Zealand have half price fares for all passengers until 31 January 2023. From 1 February 2023, Community Connect will provide a 50% discount on public transport for low-income New Zealanders (specifically, CSC holders). However, this scheme does not include Total Mobility users. Some under 25-year-olds will overlap with Community Connect as many students are CSC holders, but not all.</p>
	<p><i>What key partners/stakeholders/customers (including iwi and Māori) have been engaged to understand the problem and develop the initiative? How have you worked with them and how has their input affected the understanding of the problem? You may wish to reference here the key principles of He Ara Waiora</i></p> <p>Public Transport Authorities (PTAs) are responsible for public transport services in their regions, that includes rolling out the community connect concession on their services. We expect PTAs will engage</p>

BUDGET-SENSITIVE

	<p>with their local stakeholders, customer including, iwi and Māori as a part of their work to provide public transport services</p> <p>As part of an evaluation of concession, Transport officials have been and will continue to work with community organisations, as well as government departments Te Puni Kōkiri and Kāinga Ora to make sure we obtain insights on use of the concession among Māori.</p> <p><i>Has the initiative been developed in collaboration with any other relevant agencies? If so, explain.</i></p> <p>In developing the original community connect concession scheme we worked with the Ministry of Social Development and Ministry of Health. We have been working with Waka Kotahi and PTAs to implement the original scheme. For the extension of the scheme to under 25 year olds and total mobility users we will work with Waka Kotahi, and we will need to work with PTAs</p>
<p>What needs to improve and/or change to address the problem?</p>	<p><i>Describe the department's needs in terms of the improvements and/or changes that are required to address the problem. Outline specifically what will be changed or improved relative to existing arrangements.</i></p> <p>While providing Community Connect for CSC holders will help address public transport affordability for many low income New Zealanders, there are others that may not be eligible for a CSC yet are facing the same challenges with transport costs. Currently, the Community Connect concession will not include Total Mobility passengers and under 25-year-olds. This extension will help reduce transport costs for these population groups and provide them with the opportunity to access education, social and cultural connections, supporting the overall wellbeing of total mobility users and under-25-year-olds.</p> <p>This initiative will help to address cost barriers to accessing public transport and Total Mobility, for population groups who tend to be more sensitive to price. This initiative will complement further investment in improving and expanding public transport services that low-income New Zealanders can access.</p>

Section 2B: Alignment


The answer to each question must not exceed 1-2 paragraphs. If the initiative has more than one intended outcome, select one of the rows below and click the  button that appears at the bottom right to duplicate this section.

<p>Alignment to the Wellbeing Objectives and the economic plan</p>	<p><i>Describe how the initiative aligns with the Wellbeing Objectives, and where relevant, delivery of the Government's economic plan to build a high-wage, low-emissions, secure economy. For CERF initiatives, succinctly outline the relevant CERF eligibility criterion.</i></p> <p>The primary Government Wellbeing Objective for this initiative is just transition.</p> <p>This initiative makes a contribution to the Just Transition and Child Wellbeing Objectives. Reducing public transport fares, particularly for low income New Zealanders, is included in the Emissions Reduction Plan, and will support efforts to increase mode-shift towards greater use of public transport. Extending Community Connect to under 25s will make it cheaper for this group to travel and reduce the burden of transport costs on household budgets.</p> <p>The primary Economic Plan outcome is low emissions.</p> <p>This initiative is eligible for CERF funding as it aligns to an action in the ERP. It supports Action 10.1.2 of the ERP: Support people to use public transport. Community Connect supports efforts to address equity, specifically, working with local government to make public transport more affordable with a particular focus on low-income users.</p>
<p>Specific implications regarding the Crown's obligations under the Treaty of Waitangi</p>	<p><i>Briefly describe any specific implications, including any relevant Treaty Settlement commitments. Guidance on applying the Treaty to policy work can be found here and here.</i></p> <p>While there has not yet been engagement with iwi, it is expected that PTAs will engage with their local stakeholders and customers including, iwi and Māori as a part of their work to provide public transport services in their regions, that includes rolling out community connect concession to CSC holders on their services.</p> <p>Māori have the second highest rate of disability by ethnic group in New Zealand, at 26%, and have the highest disability rates across every age group (Doran et al 2022, <i>Transport experiences of disabled</i>)</p>

people in Aotearoa New Zealand Waka Kotahi NZ Transport Agency research report 690). Efforts to address affordability of Total Mobility services could have a particular benefit for tangata whaikaha Māori.

Section 3: Value

Section 3A: Benefits and outcomes

The answer to each question must not exceed 1-2 paragraphs. If the initiative has more than one intended outcome, select one of the rows below and click the  button that appears at the bottom right to duplicate this section.

<p>What outcome(s) would the initiative achieve?</p>	<p>The primary Living Standards Framework domain for this initiative is income, consumption and wealth.</p> <p>Goal 1: Improving transport equity</p> <p><i>What is the initiative intended to achieve in terms of the identifiable and measurable social, economic and/or environmental benefits? What is the specific impact or difference that this initiative will achieve? Provide a brief description of the key benefits that will arise through this initiative, with reference to the wellbeing domain(s) from the Living Standards Framework that each benefit relates to. You may also wish to reference the key principles of He Ara Waiora. The Wellbeing Impacts Template can be attached to support your answer. For CERF initiatives, refer to section 3.5 of the Budget 2023 Guidance.</i></p> <p>This initiative will reduce the cost of public transport for total mobility passengers and under 25-year-olds. This cohort includes those with restricted transportation options and students, all of whom are more likely to be spending a greater proportion of their income on transport and are more sensitive to any changes in transport costs. Additionally, providing the concession to children will alleviate the burden of transport costs on families' budgets.</p> <p>Disabled people are over-represented in low-income brackets in New Zealand and under-represented in high-income brackets. Many will have a CSC, so are eligible for Community Connect, but because the planned concession only applies to public transport, as it does not currently apply to Total Mobility. While Total Mobility passengers currently receive a subsidy on Total Mobility fares, the cost can still be significant, and can pose a barrier for many passengers. Including Total Mobility in Community Connect will reduce the cost of the service for passengers.</p> <p><i>Explain how the initiative's intended outcomes will be measured after the initiative is implemented.</i></p> <p>As with the original Community Connect concession, officials will look to establish some baseline information to help assess uptake of the concession.</p>						
<p>Distributional/system impacts</p>	<p><i>If the initiative has any of the following distributional and/or system impacts, tick the relevant impact(s) and answer additional questions in Section 5 of this template, where applicable:</i></p> <table border="1"> <tr> <td data-bbox="421 1379 576 1487"> <input checked="" type="checkbox"/> Māori </td> <td data-bbox="576 1379 730 1487"> <input type="checkbox"/> Pacific Peoples </td> <td data-bbox="730 1379 885 1487"> <input checked="" type="checkbox"/> Child Poverty </td> <td data-bbox="885 1379 1040 1487"> <input type="checkbox"/> Women and Girls </td> <td data-bbox="1040 1379 1195 1487"> <input checked="" type="checkbox"/> Environment </td> <td data-bbox="1195 1379 1402 1487"> <input type="checkbox"/> Regulatory Systems </td> </tr> </table>	<input checked="" type="checkbox"/> Māori	<input type="checkbox"/> Pacific Peoples	<input checked="" type="checkbox"/> Child Poverty	<input type="checkbox"/> Women and Girls	<input checked="" type="checkbox"/> Environment	<input type="checkbox"/> Regulatory Systems
<input checked="" type="checkbox"/> Māori	<input type="checkbox"/> Pacific Peoples	<input checked="" type="checkbox"/> Child Poverty	<input type="checkbox"/> Women and Girls	<input checked="" type="checkbox"/> Environment	<input type="checkbox"/> Regulatory Systems		
<p>Timeframes</p>	<p><i>Indicate if the key benefits will be realised in the short term (<5 years), medium term (5-10 years), long term (>10 years) or inter-generationally. Indicate whether, and why, benefits vary across different timeframes. This can also be done through the Wellbeing Impacts Template (hyperlinked above).</i></p> <p>The goal will likely be realised in the medium to long term. The exact timeframe is dependent on the extent to which PTAs will adopt the scheme, and how quickly it is implemented across the country. However, based on PTAs' support with the planned concession for CSC holders, we anticipate PTAs will adopt the scheme. It is also dependent on how many total mobility passengers and under-25-year-olds will take up the concession and see benefit from it.</p> <p>It will take time to change travel behaviours and overcome negative perceptions and experiences of public transport. However, if there is greater and more frequent use of public transport with the concession, and reduced travel by private motor vehicle, we would expect to see a reduction in transport costs for this cohort, which over time could improve transport equity.</p>						
<p>Evidence and assumptions</p>	<p><i>Provide evidence (data/other information) and assumptions to support the existence and timeframes of the identified benefits, including any gaps or uncertainties. It is optional to attach the Investment Logic Map. This can also be done through the Wellbeing Impacts Template (hyperlinked above).</i></p>						

BUDGET-SENSITIVE

	<p>We are assuming that:</p> <ul style="list-style-type: none"> those eligible for the concession and live near or on frequent and convenient public transport routes are the most likely to take advantage of the concession there will be sufficient capacity with existing public transport services, including sufficient workforce, to cope with the potential increase in demand there will be sufficient Total Mobility services available PTAs' share of funding for Total Mobility services is still made available. 					
What outcome(s) would the initiative achieve?	<p>Goal 2: reduced transport emissions (with extending to under 25s only)</p> <p>Extending the concession to under 25s may encourage more of this cohort to use public transport and reduce their reliance on private transport options.</p> <p>Note- extending the concession to Total Mobility does not support emissions reductions, although this may change over time should more zero emission vehicles become available that meet the requirements for Total Mobility.</p> <p>The intended outcome will be measured through measuring number of total mobility users and under-25-year olds being able to use the public transport and how that number has changed from the past few years.</p>					
	<p><i>If the initiative has any of the following distributional and/or system impacts, tick the relevant impact(s) and answer additional questions in Section 5 of this template, where applicable:</i></p>					
	Distributional/system impacts	<input checked="" type="checkbox"/> <i>Māori</i>	<input checked="" type="checkbox"/> <i>Pacific Peoples</i>	<input type="checkbox"/> <i>Child Poverty</i>	<input checked="" type="checkbox"/> <i>Women and Girls</i>	<input type="checkbox"/> <i>Environment</i>
Timeframes	<p>The goal could be achieved in the medium term, or sooner, depending on the level of uptake, and whether that uptake is sustained over time. As service level improvements are made or PT is expanded there are likely to be additional benefits.</p>					
Evidence and assumptions	<p>We are assuming that those eligible for the concession and live near or on frequent and convenient public transport routes will use the concession, instead of a private motor vehicle.</p> <p>A key assumption is that reducing the cost of public transport will encourage greater use of public transport over private motor vehicles. There are other factors that influence people's travel choices, including convenience and availability of services.</p>					
What outcome(s) would the initiative achieve?	<p>Goal 3: Improving physical and mental health outcomes</p> <p>This initiative could reduce transport costs for total mobility users and under 25-year-olds and in doing so, improve their access to jobs, health and social services, and other opportunities. This could in turn improve social connections for total mobility users and under 25-year-olds, which would provide mental health benefits. Improved access to health services would also provide physical health benefits.</p> <p>Public transport supports increased physical activity, due to the necessary travel to and from services, usually by walking or cycling. Increased use of public transport would therefore support improved physical health.</p>					
	<p>Transport is recognised as a key barrier to accessing health services. In 2019/20, 6.6 percent of Māori adults and 3 percent of Māori children were unable to access GP services due to a lack of transport; this was the case for 6.6 percent of Pacific adults and 5.8 percent of Pacific children. By comparison, 2 percent of Pākehā adults and 0.8 percent of Pākehā children experienced this.</p>					
Distributional/system impacts	<p><i>If the initiative has any of the following distributional and/or system impacts, tick the relevant impact(s) and answer additional questions in Section 5 of this template, where applicable:</i></p>					
	<input checked="" type="checkbox"/> <i>Māori</i>	<input checked="" type="checkbox"/> <i>Pacific Peoples</i>	<input type="checkbox"/> <i>Child Poverty</i>	<input checked="" type="checkbox"/> <i>Women and Girls</i>	<input type="checkbox"/> <i>Environment</i>	<input type="checkbox"/> <i>Regulatory Systems</i>

BUDGET-SENSITIVE

Timeframes	The goal will likely be realised in the medium to long term. The exact timeframe is dependent on the extent to which total mobility users and under 25-year-olds take up the concession and see benefit from it. It will take time to change travel behaviours and overcome negative perceptions and experiences of public transport.
Evidence and assumptions	<p>Research from Britain and the United States has found a link between public transport usage and improvements in physical activity and mental health, as well as improved access to healthy food, housing and healthcare.</p> <p>References: Ferrer, HB, Cooper, A and Audrey, S (2018), Associations of mode of travel to work with physical activity, and individual, interpersonal, organisational, and environmental characteristics. <i>Journal of Transport & Health</i>, 9, 45-55. Litman, T. (2018), <i>Evaluating Public Transport Health Benefits</i>. Victoria Transport Policy Institute. http://www.vtpi.org/tran_health.pdf</p> <p>According to the Ministry of <i>Transport's Transport Outlook: Current State</i> (2016), public transport is the safest form of travel in New Zealand. Furthermore, international evidence shows declining per capital traffic fatalities with increased public transport usage.</p> <p>However, there are some important assumptions: We are assuming that those eligible for the concession live near public transport routes that are convenient for accessing health and other services, to support use of public transport instead of a private motor vehicle. We are also assuming there will be sufficient capacity with existing public transport services, including sufficient workforce, to cope with the potential increase in demand.</p>

Section 3B: Expenditure profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings	<p><i>What assumptions, if any, have been used to prepare the costings for this initiative? E.g. for new FTE, salary assumptions, role/seniority, associated overheads. See section 3.3 of the Budget 2023 Guidance on common assumptions.</i></p> <p>We have assumed the under 25 concession will apply to adult public transport fares, rather than to child or student fares. Those eligible for, and choosing to access, the concession will pay half the adult fare. This is consistent with how the concession will work for CSC holders. Reasons the concession for under 25s is comparatively high compared to the cost of half-price public transport is that Under 25s are high users of public transport and make up a disproportionate number of public transport journeys as well as there are additional the administrative costs of targeted concessions to provide verification systems to confirm eligibility.</p> <p>The fare revenue forgone estimates have not been adjusted for CSC cardholders who are under 25 or are Total Mobility passengers. This means that the true costs of providing the concession could be lesser than what has been outlined in this template. Data outlining the proportion of under 25 year olds who hold a CSC or use Total Mobility was not available when this initiative was costed.</p> <p>Fare revenue foregone has been estimated with the following key assumptions:</p> <ul style="list-style-type: none"> • As above, the estimated patronage numbers covered all under-25 trips, there is no adjustment for existing CSC holders who are under 25 or are Total Mobility passengers • As with the concession for CSC holders, the concession for under-25s only applies to the adult fare. It does not apply to child or student concessions. • For the purpose of estimating costs we have estimated forgone fare revenue based on the mid-point between child fares and adult fares. This is likely a conservative estimate. However, given PTAs are responsible for fare setting it is difficult to accurately estimate foregone fare revenue when fare policies could change over time. • We generally assumed passengers use electronic ticketing. Many regions differ fares by payment type. Cash fares are typically more expensive compared to electronic ticketing. • Not all regions differ their fares like the above and not all use the same definition for adult and child. • We assumed the impact of reduced fares might incentivise additional trips, and estimated this increase at 16% for the first few years. • We used the Household Travel Survey to estimate the percentage share of trips taken by under-25s at the regional level.
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BUDGET-SENSITIVE

Public transport authorities' administration costs are based on the following assumptions:

- Similar set up costs to Community Connect for CSC holders, but increased to reflect costs associated with validation requirements for under-25s.
- All Total Mobility users are eligible, so no validation of CSC or any other criteria required.
- Ongoing costs of maintaining the concession, including back office processes, marketing and engagement.

Waka Kotahi administration costs are based on costs identified for the Budget 2022 initiative to implement Community Connect for community Services Card holders, adjusted for inflation using the RBNZ inflation calculator (comparing 2021 Q3 with 2022 Q3).

Provide any formula that has been used to support the calculation of the costings. Alternatively, a spreadsheet of the costing that demonstrates the formula used to calculate the costing can be attached.

Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in Section 1B: Summary of funding profile. To duplicate these rows for additional rows, select the applicable row below and click the  button that appears at the bottom right.

Operating expenses (\$m)											
Operating expense category	2022/23	2023/24	2024/25	2025/26	2026/27 & outyears*	Total					
Fare revenue foregone from under-25s concession	[●]	71.000	72.000	74.000	74.000	291.000					
Fare revenue foregone from Total Mobility	[●]	12.000	12.000	12.000	12.000	48.000					
PTA Administration Cost - Ticketing system changes and ongoing maintenance		3.866	0.568	0.568	0.568	5.570					
PTA Administration Cost - Card distribution		4.560	1.011	1.011	1.011	7.593					
PTA Administration Cost - Communications and marketing		0.525	0.525	0.525	0.525	2.100					
PTA Administration Cost - Resourcing and customer support		2.750	3.199	3.199	3.199	12.347					
PTA Administration Cost - Project management		1.020				1.020					
Monitoring and evaluation	[●]	0.300	0.300	0.450		1.050					
New FTE wage funding	[●]	0.244	0.253	0.393	0.407	1.297					
New FTE/contractor overhead funding	[●]	0.123	0.128	0.199	0.206	0.656					
Waka Kotahi administration costs	[●]	1.66	1.68	1.72	1.72	6.78					
Total (\$m)	[●]	98.048	91.664	94.065	93.636	377.413					
*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.											
# of new FTEs (incl. contractors) over the forecast period	2022/23	2023/24	2024/25	2025/26	2026/27	Total					
	[●]	[●]	[●]	[●]	[●]	[●]					
Capital expenses (\$m)											
Capital expense category	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32*	Total
Total (\$m)	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
*Extend the profile above if funding is needed beyond 2031/32.											

Section 3C: Options analysis

The answer to each question must not exceed 1-2 paragraphs.

<p>What were the range of options considered?</p>	<p><i>Describe how the longlist of options was generated. Briefly summarise each shortlisted option and describe whether and how each shortlisted option would achieve the initiative's intended outcome(s).</i></p> <p>The costing of this initiative is based on full Crown funding for the concession on a permanent basis, as was agreed for the original concession. Taking this approach to an extension to under 25s and Total Mobility will incentivise uptake of the extended concession among public transport authorities.</p> <p>Ministers could consider the following options:</p> <ul style="list-style-type: none"> Extend only to under 25s (ie not Total Mobility) – this would support public transport affordability and mode-shift objectives Extend only to Total Mobility passengers – this would address cost barriers for those who rely on Total Mobility services, but does not achieve mode shift and emission reduction objectives. This is costed in the scaled down option. Extend half price fares to all public transport users, as is currently in place and has been since April 2022. Extending half-price public transport (and Total Mobility) for the duration of any phasing of petrol excise duty would likely require around \$10 to \$12 million per month. Indicative costs from officials suggest funding of up to \$152 million per annum would be required to maintain reduced fares. Provide free fares to all children. Officials estimate a cost of \$40 to 42 million if providing free fares for children under 15 years. The prediction models could only analyse age blocks of five years, and the estimate for providing free fares to under 20 years is \$102 to \$106 million, with approximately double the amount of people benefiting (under-20s was estimated to be 71 million, under 15 estimated to be 38 million). <p>Note, Cabinet agreed that half-priced fares for Total Mobility are extended indefinitely, with further details to be agreed by the Minister of Transport when considering next steps on taking action towards fuel prices [CAB-22-MIN-0554 refers]</p>
<p>What was the process used to select the preferred option?</p>	<p><i>Describe what analyses and methodologies were used to evaluate the long-list and short-list options. Attach any further Options Analysis and/or Cost Benefit Analysis to support your answer. This could include any He Ara Waiora and/or the Living Standards Framework considerations.</i></p> <p><i>Detail the monetary and non-monetary costs and benefits to the agency, broader public sector, New Zealand society and environment that were included in the options analysis, and how they were quantified, including from a Te Ao Māori perspective.</i></p> <p><i>Describe how engagement/consultation with partners/stakeholders/customers, including iwi and Māori, informed the identification and quantification of costs and benefits.</i></p> <p><i>Describe the climate impacts analysis used to support the options analysis, and the selection of the preferred option. Attach the Climate Implications of Policy Assessment (if relevant) and any other supporting evidence.</i></p> <p>The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the GHG emissions reductions are not a primary objective of this initiative nor do the GHG emissions impacts surpass the CIPA thresholds.</p> <p><i>Describe how the preferred option represents best public value.</i></p> <p><i>What sensitivity analysis was undertaken and how did it influence the choice of preferred option?</i></p>
<p>Counter-factual question</p>	<p><i>Explain the implications if funding is deferred or not approved. If there are options (e.g. choosing to reduce either output or quality of an existing service if funding is not approved), detail these here. Explain how the department would address the pressure or problem if the funding is not approved</i></p> <p>If the funding is not approved or deferred, the Community Connect concession scheme will still proceed for CSC holders, as funding has already been approved in Budget 2022. This may include some of the cohort that are the focus of this initiative (e.g. the under 25 year olds who are eligible for CSCs).</p> <p>A review of Total Mobility is expected to occur over the next 12 months, which will look at a range of issues with the scheme, including affordability. If funding for the extension of Community Connect to Total Mobility is not approved, the review may include recommendations relating to affordability of the scheme and if a concession should be applied.</p>

BUDGET-SENSITIVE

Section 3D: Scaled option

The answer to each question must not exceed 1-2 paragraphs.

Scaling option overview

Provide a concise overview of the scaled down option to fund this initiative (the funding level below which it would be better to defer the initiative than fund it).

The scaled option below would be to fund an extension of the community connect concession scheme to Total mobility card holders only. If choosing between funding Under 25s or Total Mobility Card holders, the cost of funding concessions to Total Mobility passengers is much cheaper and is considered to be the minimum spend for an extension of Community Connect to be viable.

Explain how the initiative's expected outputs and outcomes would differ if fully funded and any risks associated with scaling down.

Extending the concession to only Total Mobility does not support emissions reductions, and will remove most of the emissions reductions and mode-shift gains, as the number of people benefiting from the scheme would greatly reduce.

If the initiative cannot feasibly achieve its objectives without full funding (i.e. scaling option is not viable), succinctly explain why (e.g. if the initiative is to purchase a discrete asset at a set price).

Explain the formula and assumptions for the scaled option if they are different from those for the preferred option.

Formula and assumptions for these costings are consistent with those used for the preferred option above.

Provide a breakdown of what the scaled down option would purchase. Add additional rows to the table as needed by selecting a row and clicking the  button that appears at the bottom right.

Operating expenses (\$m)						
Operating expense category	2022/23	2023/24	2024/25	2025/26	2026/27 & outyears*	Total
Fare revenue foregone from Total Mobility concession	[●]	12.000	12.000	12.000	12.000	48.000
Waka Kotahi Administration costs	[●]	0.240	0.240	0.240	0.240	0.960
PTA Administration Cost - Communications and marketing	[●]	0.250	0.250	0.250	0.250	1.000
PTA Administration Cost - Resourcing and customer support	[●]	0.688	0.688	0.688	0.688	2.752
{Name of operating expense category}	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
{Name of operating expense category}	[●]	[●]	[●]	[●]	[●]	[●]
Depreciation and/or capital charge (if relevant)	[●]	[●]	[●]	[●]	[●]	[●]
New FTE wage funding	[●]	[●]	[●]	[●]	[●]	[●]
New contractor wage funding	[●]	[●]	[●]	[●]	[●]	[●]
New FTE/contractor overhead funding	[●]	[●]	[●]	[●]	[●]	[●]

BUDGET-SENSITIVE

[Name/type of contingency]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total (\$m)	[•]	13.178	13.178	13.178	13.178	13.178	13.178	13.178	13.178	52.712	[•]
*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.											
# of new FTEs (incl. contractors) over the forecast period	2022/23	2023/24	2024/25	2025/26	2026/27	Total					
	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Capital expenses (\$m)											
Capital expense category	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32*	Total
[Name of capital expense category]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[Name of capital expense category]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[Name/type of contingency]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
*Extend the profile above if funding is needed beyond 2031/32.											

Section 4: Delivery

Section 4A: Procurement and workforce requirements

The answer to each question must not exceed 2-3 paragraphs.

What is the initiative purchasing/funding?	<p>Describe the key resources (workforce, goods, assets, services) that need to be sourced, including any ancillary services. The answer should align with the initiative description and the problem definition in Section 1A and Section 2A respectively. It is optional to attach the Procurement Plan for the initiative.</p> <p>This initiative purchases:</p> <ul style="list-style-type: none"> • A 50% fare concession for under 25 year olds and Total Mobility passengers. This can also be understood as fare revenue forgone for these user groups. • Implementation costs for PTAs to implement the concessions • Implementation costs for Waka Kotahi to implement the concessions, including engagement and communication to promote the concession (focussed particularly on Maori and Pasifika communities) • Resource for the Ministry of Transport to monitor and evaluate the concession
Is there a market that can meet these needs?	<p>Describe the market you are looking to procure the above key resources from. Support your answer with evidence of any market testing that has been completed, and any engagement that has been undertaken with the relevant supply markets.</p> <p>Public transport authorities have responsibility for public transport services, including the provision of fare concessions. PTAs will need to work with their ticketing providers (eg Snapper, HOP) to provide the concession on smartcards, and establish necessary back office systems and application processes.</p> <p>Total Mobility services are provided by private taxi companies. The scheme is administered at a regional level by PTAs, including assessing applications for the scheme.</p> <p>What is the capacity and capability of the market to provide these resources and how has this been tested?</p> <p>The half price fares policy has demonstrated willingness and capability to set up a reduction in fares nationwide within short timeframes. However, implementation of targeted concessions require more time to implement. We have seen with Community Connect that PTAs are dependent on their ticketing</p>

BUDGET-SENSITIVE

	<p>providers to provide technical solutions in short timeframes, and this continues to be a challenge in some regions for meeting the 1 February launch date for CSC holders.</p> <p><i>For new FTEs and/or contractors, outline occupation and skills area and indicate the market capacity to fill these roles.</i></p> <p><i>What potential suppliers have been identified for the initiative, are they interested in participating in the procurement, and do they have the capacity and capability to meet these needs?</i></p> <p><i>What other competitors are there for similar workforce, goods, and services around the same time as this initiative? Have opportunities to collaborate or strategies to deconflict competing timelines been explored?</i></p>
Government Procurement Rules	<i>Does the proposed approach align with Government Procurements Rules? If not, on what basis is the initiative exempted?</i>

Section 4B: Risks, constraints, and dependencies

The answer to each question must not exceed 1-2 paragraphs

What are the main risks?	<p><i>Describe the main risks associated with this initiative and the proposed mitigations to address these. Focus on the 20% of risks which are likely to provide 80% of the initiative's risk values. It is optional to attach the Risk Register for the initiative.</i></p> <p>The main risk associated with this initiative is the availability of public transport services for the concession to be used on. The current bus driver shortage is placing considerable strain on PT networks in many regions, resulting in reduced timetables and cancelled services. Through Budget 2022, \$61 million is being provided over four years to improve bus driver wages and help stabilise the workforce, and further funding is being sought in Budget 2023 to make further improvements to wages and conditions.</p> <p>Committing the Crown to provide transport concessions poses a fiscal risk. Delivery of a half price concession could commit the Crown to absorb fare escalations which it has no control over (as PTAs are responsible for setting fares). To mitigate this risk, officials will provide advice on funding options, such as bulk funding, to mitigate the Crown's on-going financial contribution.</p> <p>There are also reports from some regions of a reduction in availability of Total Mobility services, with some regions reporting no service providers. Te Manatū Waka intends to start a review of Total Mobility in this financial year, to look at the current issues with the scheme, and identify potential improvements.</p>
What are the key constraints?	<p><i>Describe any key constraints that have been and/or could be placed on the initiative.</i></p> <p>Extending the concession to a greater number of passengers could increase demand for public transport services, which are already under pressure as outlined above. Increased demand in services can put further constraints in delivering the proposed services.</p> <p>It will also require extra resources for PTAs in issuing discount cards, setting up application processes and back office systems – these will take time to deliver.</p>
What are the key dependencies?	<p><i>Describe any key dependencies that are outside the scope of the initiative and may determine the initiative's success.</i></p> <p>This initiative depends on the following agencies, service providers and other work streams:</p> <ul style="list-style-type: none"> • Public Transport Authorities and their ticketing providers • Waka Kotahi, • Taxi services providers, • Other initiatives that are underway for example budget bid for 2023 for bus driver wages, cost pressure bids for funding shortfalls for PTAs

Section 4C: Governance and timeframes

The answer to each question must not exceed 1-2 paragraphs.

What are the governance arrangements for this initiative?	<i>What is the governance structure, including decision making and any advisory groups? It is optional to attach the Governance Diagram showing the governance structure.</i>
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BUDGET-SENSITIVE

	<p>Governance arrangements for the original community connect concession scheme will apply to the proposed extension. Waka Kotahi will be chairing a cross-agency governance group, with representatives from MoT, Waka Kotahi and PTAs. MSD will also be represented, due to their role in administering the CSC.</p> <p>A project team comprising central government agencies is also in place, and will be used for implementation of the extension.</p>
	<p><i>Explain how the governance structure provides for input from partners/stakeholders/customers, including iwi and Māori?</i></p> <p>Public Transport authorities, as a part of their delivery responsibility will engage with their key stakeholders and customers to whom they are providing services to. This will include iwi and Māori group.</p>
Timeframes and monitoring	<p><i>Outline key milestones and the expected timeframe for the delivery of these milestones. When will the responsible Minister(s) receive information on implementation and delivery of this initiative?</i></p> <p>Quarterly report to Ministers on CERF will be the main reporting. Community Connect will be evaluated four years after launch (ie 2027).</p>

Section 4D: Demonstrating performance

The answer to each question must not exceed 1-2 paragraphs.

Does this meet the threshold of a significant initiative? Is it part of an existing strategy / work programme / initiative with existing reporting, and if so what is it called?

Outline the type (or types) of evaluation planned and their timeframe(s). Indicate what funding is proposed to be allocated for evaluation.

Describe the performance information that would be included in the Estimates if this initiative was funded, or if the performance information in the Estimates is not expected to change then describe the reasons for that decision.

Te Manatū Waka is already preparing for an evaluation of Community Connect, we anticipate completing an evaluation four years after the concession (as originally agreed through Budget 22). This can be expanded to encompass under 25s and Total Mobility passengers.

For performance information, it is expected that information being collected for the Community Connect scheme already be can leveraged to report on progress made against this initiative.

Section 5: Initiatives with Distributional/System Impacts

Section 5A: Māori initiatives

The answer to each question must not exceed 2-3 paragraphs.

What kind of impact would the initiative have on Māori?	A	Direct impact	<input type="checkbox"/>	<i>Explain your answer to A.</i>	
		Indirect impact	<input checked="" type="checkbox"/>	This scheme aims under 25-year-olds and total mobility users. This section of the society will also include Māori population. Māori that represents this section of the community will receive benefit from this scheme.	
	B	Targeted and tailored impact	<input type="checkbox"/>	<i>Explain your answer to B.</i>	
		Disproportionate positive impact	<input type="checkbox"/>		
Other		<input checked="" type="checkbox"/>	This concession is not specifically targeted at Māori, but they will receive benefit depending on their access to public transport		
	C	<i>List any assumptions you have made in considering impacts for Māori/iwi/hapū/whanau.</i>			
		We are assuming that Māori are less likely to live close to existing public transport services. We are also assuming that Māori do not have good access to total mobility services.			
How does the initiative align with any of the	Kotahitanga	Tikanga	Whanaungatanga	Manaakitanga	Tiakitanga
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

BUDGET-SENSITIVE

means of He Ara Waiora?	<p><i>Discuss how the initiative demonstrates one or more of the Means of He Ara Waiora identified above; this should draw on responses highlighted in previous sections.</i></p> <p>This scheme, through affordability and accessibility to public transport will provide the opportunity to connect with the community and develop a shared sense of whanaungatanga. Increasing affordability and accessibility to public transport also shows manaakitanga for low-income New Zealanders.</p>	
How will the initiative contribute to the ends of He Ara Waiora?	Te Taiao <input type="checkbox"/>	<p><i>Demonstrate how the initiative will contribute to one or more of the Ends of He Ara Waiora, this should draw on responses highlighted in previous sections.</i></p> <p>This initiative will support tangata whaikaha Māori and rangatahi Māori to access education, social and cultural opportunities, supporting greater connections to their culture and to communities.</p>
	Te Ira Tangata <input checked="" type="checkbox"/>	

Section 5B: Pacific initiatives

The answer to each question must not exceed 2-3 paragraphs.

What kind of impact would the initiative have on Pacific people?	A Direct impact		<input type="checkbox"/>	<i>Explain your answer to A.</i>				
	Indirect impact		<input checked="" type="checkbox"/>					
	B Targeted and tailored impact		<input type="checkbox"/>	<i>Explain your answer to B.</i>				
	Disproportionate positive impact		<input type="checkbox"/>					
	Other		<input checked="" type="checkbox"/>					
C <i>List any assumptions you have made in considering impacts for Pacific communities.</i>								
How would the initiative contribute to the focus areas of the All-of-Government Pacific Wellbeing Strategy?	Lalaga Potu: Cultural Values and Principles	<input type="checkbox"/>	Fale Fono: Partnership and Governance	<input type="checkbox"/>	Vaka Moana: Performance and Improvement	<input checked="" type="checkbox"/>	Te Kupega: Capability	<input type="checkbox"/>
	<i>Demonstrate how the initiative will support system shifts in one or more of the Strategy's four focus areas identified above. Reviewing the outcomes diagrams in the Pacific Wellbeing Outcomes Framework will help you to identify how your initiative aligns with these system shifts (see pages 31 to 37).</i>							

How would the initiative contribute to the outcomes for Pacific communities articulated in the Pacific Wellbeing Outcomes Framework?	Goal 1: Thriving Pacific languages, cultures, and identities	<input type="checkbox"/>	Goal 2: Prosperous Pacific communities	<input type="checkbox"/>	Goal 3: Resilient and healthy Pacific families	<input checked="" type="checkbox"/>	Goal 4: Confident, resilient, and thriving Pacific young people	<input checked="" type="checkbox"/>
	<p><i>Demonstrate how the initiative will contribute to one or more of the community outcome statements for Pacific communities found in the Pacific Wellbeing Outcomes Framework (see pages 6 to 28).</i></p> <p>Pacific youth under 25-year-old will be supported by this concession. It will enable them to contribute, be a part and stay connected with the community. This scheme will provide accessibility to education and employment pathways. It will also provide the opportunity for social and cultural connection helping in mental health and wellbeing.</p>							

Section 5C: Child poverty initiatives

The answer to each question must not exceed 2-3 paragraphs.

What kind of impact would the initiative have on reducing child poverty?	A Direct impact		<input type="checkbox"/>	<i>Explain your answer to A.</i>
	Indirect impact		<input checked="" type="checkbox"/>	
	B Targeted and tailored impact		<input type="checkbox"/>	<i>Explain your answer to B.</i>

BUDGET-SENSITIVE

	Disproportionate positive impact	<input type="checkbox"/>	As above.
	Other	<input checked="" type="checkbox"/>	
Does the initiative align with the Child and Youth Wellbeing Strategy?	Yes	<p>If yes, indicate which of the six high-level wellbeing outcomes it aligns to. Further information on the Child and Youth Wellbeing strategy can be found at Child and Youth Wellbeing (childyouthwellbeing.govt.nz).</p> <p>This scheme will indirectly promote the positive engagement and progression and achievement in education. Affordable public transport will give them the opportunity to connect socially and opportunity to play, develop and grow.</p>	

Section 5D: Initiatives with impacts on women and girls

The answer to each question must not exceed 2-3 paragraphs.

Which group(s) of women and girls would be impacted by the initiative? Select all that apply.	Māori	<input checked="" type="checkbox"/>	Pacific	<input type="checkbox"/>	Asian	<input type="checkbox"/>	Culturally and linguistically diverse	<input type="checkbox"/>
	Older persons	<input type="checkbox"/>	Younger persons	<input checked="" type="checkbox"/>	Migrants	<input type="checkbox"/>	Refugees	<input type="checkbox"/>
	LGBTQIA+	<input type="checkbox"/>	Rural persons and communities	<input type="checkbox"/>	Students	<input checked="" type="checkbox"/>	Disabled people and those with disabilities	<input checked="" type="checkbox"/>
	Business owners	<input type="checkbox"/>	Employees	<input type="checkbox"/>	Specific industries or sectors	<input type="checkbox"/>	Other	<input type="checkbox"/>
	<p><i>Provide any additional information to support or clarify your answer.</i></p> <p>Extending the Community Connect concession to under 25 years olds and Total Mobility passengers is expected to have a positive impact on women who are younger persons or those with disabilities.</p> <p>Wāhine Māori who are under 25 or total mobility users are likely to benefit, but they may receive less benefit if their travel patterns are such that public transport is not a convenient mode, e.g. they are making multiple trips or "trip-chaining", or are more likely to travel with dependents, who may not be eligible for discount or concession (however, in the case of the latter scenario, it is likely those dependents are children who will be eligible for another concession).</p>							
How many women and girls would be affected by this initiative?	<p><i>Provide disaggregated data on the women and girls who would be affected by the initiative. Where applicable, identify the number of women and girls who are already being supported by the current initiative or policy (status quo), and the number of women and girls who will be targeted (aspirational outcome).</i></p> <p>39% of women aged under 25 years old have used public transport at some point in the past year/12 months (an annual average of about 260,000 people). 27% of women aged under 25 years old have used public transport at some point in the past month (an annual average of about 184,000 people). Data from New Zealand Household Travel Survey using 2018-2021 data. Please note that there were COVID 19 impacts on surveying in the 2019/20 and 2020/21 survey years, and there have been impacts on use of PT over this time period.</p> <p>The number of female Total Mobility card holders who use public transport was not available, however, is estimated to be much smaller by comparison.</p>							
<p><i>Qualitative impacts: Refer to the guidance for examples.</i></p>								
What is the initiative expected to achieve that will help to improve outcomes for women and girls, including for wāhine Māori and kōtiro?	<p><i>Describe the overall aspirations of the initiative in how it would benefit women and girls (the vision). Secondly, consider and describe how the initiative may help to overcome gender stereotypes, roles, and pressures.</i></p> <p>The initiative has not been targeted or tailored for wāhine Māori, but it has the potential to benefit those who are under 25 year olds or total mobility users. The extent to which they will be benefit depends on additional factors, such as the availability and convenience of public transport services.</p>							

BUDGET-SENSITIVE

What direct and indirect impacts on women and girls is the initiative expected to have, including on wāhine Māori and kōtiro?	<p>Describe the direct impacts, including the immediate impacts on women and girls as a proportion of the targeted demographic. Secondly, describe the indirect impacts, such as the secondary benefits or long-term benefits.</p> <p>Same as for wāhine Māori – the initiative will directly benefit women and girls who are under 25-year-olds or total mobility users will have direct impact from the concession scheme, but they may benefit less if their travel patterns are such that public transport is not a convenient mode.</p> <p>Indirectly, it may help develop a public transport using habit which will help in staying connected supporting overall mental and physical wellbeing over the longer term.</p>
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Are there any anticipated negative impacts of the initiative on women and girls, including on wāhine Māori and kōtiro?	<p>This could be both short and long-term impacts. For example, are there any groups of women and girls who may be excluded from the initiative? Will the initiative inadvertently reinforce or rely on existing gender roles, stereotypes and/or pressures?</p> <p>None.</p>
Describe how the initiative contributes to the wellbeing objectives and improves outcomes for women and girls.	<p>This question is to explain the overlap, not to reiterate the impacts identified above.</p> <p>This initiative contributes to the just transition objective, by supporting low income wāhine Māori and kōtiro to access jobs, health, and social services through public transport. This may also contribute to improved physical and mental wellbeing for wāhine and kōtiro, through transport savings and enabling social connection and access to services.</p>

Section 5E: Initiatives with environmental impacts

The answer to each question must not exceed 2-3 paragraphs.

Does the initiative align to a category within the Green Bond Framework?	Clean Transport	<input checked="" type="checkbox"/>	Energy Efficiency and Renewable Energy	<input type="checkbox"/>	Living and Natural Resources and Land Use	<input type="checkbox"/>	Terrestrial and Aquatic Biodiversity	<input type="checkbox"/>
	Climate Change Adaptation	<input checked="" type="checkbox"/>	Sustainable Water and Wastewater Management	<input type="checkbox"/>	Pollution Prevention and Control	<input type="checkbox"/>	Green Buildings	<input type="checkbox"/>

Please advise whether the initiative meets the category specific criteria for the Green Bonds Programme (see section 4.5 of the Budget 2023 Guidance).

The concessions may be used on public transport buses that emit for than 50gCO₂ per passenger-km, so may be considered ineligible for Green Bonds financing.

Does the initiative have significant direct or indirect environmental impacts (positive or negative) beyond any climate change implications caught by CERF?	A		<p>Explain the nature and size of the environmental impacts by type (both positive and negative).</p> <p>Reduction in public transport fares will promote its usage which will in turn aid the reduction of emissions. It is however unlikely to be significant.</p>
	Direct impacts	<input type="checkbox"/>	
	Indirect impacts	<input checked="" type="checkbox"/>	
B	Avert long-term tipping-points	<input type="checkbox"/>	<p>Explain how the impact of the initiative relates to environmental tipping-points.</p>
	Advance long-term tipping-points	<input type="checkbox"/>	
C	<p>List any assumptions you have made in considering these impacts (see section 4.5 of the Budget 2023 Guidance).</p> <p>Increased public transport uptake as a result of the concession has been assumed.</p>		

Section 5F: Regulatory systems initiatives

The answer to each question must not exceed 2-3 paragraphs.

<p>Which regulatory system(s) does the initiative relate to?</p>	<p>List the name(s) of the regulatory system(s). For example, Consumer and Commercial; Courts and Tribunals; Climate Change.</p>							
<p>Which category does the initiative primarily relate to?</p>	<p>A major government reform priority (e.g. manifesto commitments)</p>	<input type="checkbox"/>	<p>Managing or mitigating operational performance of risks</p>	<input type="checkbox"/>	<p>Enabling economic activity and/or easing compliance burdens</p>	<input type="checkbox"/>	<p>Other</p>	<input type="checkbox"/>
<p>If other, describe here.</p>								
<p>Which stage of the policy or legislative process is the proposal at?</p>	<p>If Cabinet decisions on the policy have been made, provide the relevant Cabinet Minute.</p>							

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