

Subject **Public transport concession scheme for SuperGold Card holders**

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Purpose

1. To notify authorities and other stakeholders that:
 - The public transport concession scheme for SuperGold card (SGC) holders that provides free off-peak travel on buses, trains and harbour ferries, has a target introduction date from 1 October 2008. Regional councils will decide the timing of implementation in their region. The New Zealand Transport Agency (NZTA) will assist councils to meet their target commencement date.
 - The national policies governing the scheme have been agreed by the responsible Ministers, and to convey this policy information.
 - A Memorandum of Understanding (MoU) has been prepared for each region, and will be distributed for actioning. A standard contract between regional councils and operators for the provision of SuperGold Card free public transport services is also being prepared, and its use, or the use of the standard clauses contained in it as a variation to other service contracts, will be a condition of funding for the scheme.

Background

2. The Associate Minister for Senior Citizens at the time, the Rt Hon Winston Peters, announced on Monday 21 April 2008 that all SuperGold Card holders will be provided with free off-peak travel on public transport. The card aims to lower the cost of living for seniors and veterans, and provide a

greater recognition of the contribution they have made, and continue to make, to New Zealand society.

3. The initiative will apply to off-peak travel on all three public transport modes: buses, trains and harbour ferries.
4. The SuperGold Card is available to all New Zealanders who are:
 - aged 65 years or over and legally and ordinarily resident in New Zealand
 - aged under 65 years and receive the Non-Qualified Spouse or Partner rate of New Zealand Superannuation or the Veteran's Pension
 - aged under 65 years and currently receive the Veteran's Pension.

Funding

5. The Crown has allocated \$18m for each year 2008-2012 for this initiative.
6. An agreed level of administration, set-up costs, and level of fare reimbursement to service providers will be funded. These will be outlined in the MoU.

Key operational policies

Off-peak definition

7. The scheme is for off-peak travel and the following hours have been defined by Government as off-peak, and hence eligible for funding at 100% FAR for SGC travel:
 - 9.00am – 3.00pm, then 6.30pm to the end of service, all services on weekends and public holidays.
8. Eligible hours will be set to time of boarding. A 10 minute buffer around the off-peak start and finish times on ticketing machines is acceptable; for example, passengers could board a 9.00am service 10 minutes prior to its departure.

Eligible services

9. The SuperGold card initiative will apply to services that offer a concessionary fare as identified in the Regional Passenger Transport Plan (Regional Public Transport Plans in future under the Public Transport Management Act).
10. Where a region does not have a concessionary fare scheme, or one that covers all of the specified public transport network, further eligible services will be those already contracted by the council and/or those that are included in their specified public transport network.
11. If variations on eligible services are required, these can be discussed with NZTA, and recorded in the MoU.

Reimbursement rates

12. While SuperGold card holders will receive free off-peak transport, regional councils will be reimbursed from NZTA at 75 percent of the average full adult fare for each route or zone, per operator. Details will be specified in each council's MoU.
13. A variation to this may exist in exceptional circumstances. If an operator can show undue hardship on a particular route that has become unviable due to the concession reimbursement rate, NZTA will negotiate with the appropriate council on a case by case basis.

Monitoring

14. Regional councils will provide NZTA with monthly reports covering patronage numbers, mode, operator claim costs and information on travel times or other travel data if possible.

Auditing

15. Supporting information must be held by regional councils for the purpose of verification by NZTA.

Review

16. The initiative will be reviewed at the end of the 2008/09 financial year (July 2009).



Michelle McCormick
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