

23 April 2010

Dave Watson  
New Zealand Transport Agency  
Private Bag 6995  
44 Victoria Street  
WELLINGTON 6141

Dear Sir

## **SUBMISSION TO THE REVIEW OF THE SUPERGOLD CARD FREE TRAVEL ON OFF-PEAK PUBLIC TRANSPORT SERVICES**

### **1.0 INTRODUCTION**

- 1.1 Hamilton City Council (HCC) welcomes the opportunity to make a submission to the New Zealand Transport Agency (NZTA) on the consultation document entitled "Options to Change the SuperGold Card Free Off-Peak Public Transport Travel Scheme".
- 1.2 The recent media coverage/issues around the SuperGold card were discussed at HCC's Passenger Transport Subcommittee meeting on 8 April 2010. The following provides a summary of the main points raised at this meeting.

### **2.0 SPECIFIC COMMENTS**

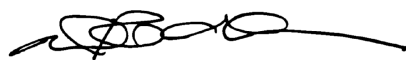
- 2.1 HCC was strongly in favour of the introduction of the centrally-funded SuperGold Card system as it continued and strengthened the existing innovative '60-Plus' card that had been operating in Hamilton since 2004/05.
- 2.2 Off-peak bus patronage in Hamilton accounts for around 240,000 trips per month. Around 23,500 passengers used a SuperGold card in March 2010, representing approximately 10% of all off-peak trips. The existing recorded trips with '60-Plus' and the increase since SuperGold cards were introduced both show the strong level of community support in Hamilton for concessionary travel off-peak for those on limited incomes. HCC would like to see this benefit continued as part of the implementation of the Access Hamilton Transport Strategy.
- 2.3 It needs to be emphasised that using SuperGold cards to access services can make a significant difference to many elderly people's ability to access facilities and services within the city. This has a subsequent positive impact on their quality of life. Therefore the debate surrounding the card should not focus solely on costs alone.
- 2.4 The Waikato Region as a whole currently seeks reimbursement of around \$600,000 annually. This funding directly benefits all passenger transport services in the region due to the 'gross contract' nature of management operated by Environment Waikato.

- 2.5 \$600,000 also represents about 3% of the SuperGold funding allocation, which is in line with Hamilton recording about 3% of all passenger transport trips nationally, showing that as a region the Waikato is not requiring more than it's "fair share".
- 2.6 Comparatively, HCC understands that some commercial services, such as the Waiheke Island Ferry, are over-represented in cost per trip terms, with 2% of trips requiring 11% of all nationally available SuperGold funds.
- 2.7 HCC recommends that all passenger transport services are progressively moved towards a 'gross contract' system to ensure that national subsidy funding benefits all passenger transport services rather than increase profit margins for commercial operators. More detail on this will be provided in HCC's submission to the Ministry of Transport's 'Passenger Transport Effectiveness' consultation in coming months.
- 2.8 The consultation document suggests the status quo is not desirable. However HCC is strongly of the view that this is the only practicable option for Hamilton and the wider Waikato Region, based on the region's conservative use of the Supergold card fund. HCC views maintaining the status quo as being the best option for New Zealand superannuitants and is concerned that any alteration would materially affect those on low and limited incomes. As this is one of the very few benefits superannuitants receive, the organisation would make it clear to those that questioned the changes that the move is not supported by HCC and is the responsibility of central government.
- 2.9 HCC notes that removal or reduction of administrative costs would provide an additional \$810,384 to the fund without requiring further changes. This figure comprises \$337,227 (41.6%) allocated to regional council administration and \$473,157 (58.4%) allocated to NZTA administration (as outlined in Appendix 1 of the consultation document).
- 2.10 Other options listed, such as reducing the reimbursement rate, capping reimbursement payments, or changing the services that are eligible, are not considered desirable for Hamilton or the Waikato Region at this time.
- 2.11 Finally, it has been suggested that there is evidence of some fraud occurring within the SuperGold card system, with cards being swapped between users and use of cards being permitted during peak travel periods. HCC therefore recommend that measures be taken to reduce the opportunity for misuse of the cards which in turn will further increase funds available for legitimate use of the system.

### 3.0 CONCLUDING COMMENTS

- 3.1 Hamilton City Council trusts that the points made in this submission are helpful to the New Zealand Transport Agency when considering all submissions to the review of the SuperGold card free travel on off-peak public transport services.
- 3.2 HCC **does not wish to be heard** in support of this submission if the New Zealand Transport Agency hold hearings on this issue.
- 3.3 If you require clarification of the points raised in this submission, or additional information, please contact Philip King (Hamilton City Council's Access Hamilton Co-ordinator) on 07 838 6991 or email [philip.king@hcc.govt.nz](mailto:philip.king@hcc.govt.nz)

Yours faithfully



**Michael Redman**  
**CHIEF EXECUTIVE**