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Committee Transport & Access Committee
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SuperGold Card Travel Scheme, and Concession Fares for Senior Citizens

1. Purpose

To update the Committee on the introduction of the national free off-peak travel scheme for SuperGold card holders, on changes to operators' own concession schemes, and to seek a decision regarding the future of fare discounts for senior citizens and veterans on Metlink services in the Region.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

3.1 SuperGold Card Scheme

Free off-peak travel for holders of a SuperGold card became available in most regions from 1 October, and in the remaining two from 1 November. The scheme is a Government initiative, and is funded by it. No Council funding is required.

A SuperGold card is available to New Zealand residents aged 65 and over, and to those receiving a veteran's pension. SuperGold card eligibility, issuing and administration are carried out by the Ministry of Social Development. There are currently over 50,000 SuperGold card holders in the Wellington region.

The free travel scheme applies to all local bus, train, harbour ferry and (in Wellington) cable car services at off-peak times. 'Off-peak' is defined for the purposes of the scheme by boarding time between 9am and 3pm, after 6.30pm on weekdays, and at all times during weekends and public holidays. Long-distance train and coach services are excluded.

Agreements (drafted by NZ Transport Agency (NZTA)) between the Council and operators cover the scheme's application and operation. Councils have a separate agreement with NZTA covering the administration (including funding) of the scheme.

The operator claims for the agreed cost of providing the free travel from Greater Wellington, which then makes an aggregated claim to NZTA covering the full cost of reimbursing operators. NZTA expects to review the scheme in July 2009.

Although so far only limited usage figures are available, it is clear that take-up of the concession has been strong in the first month, and this is reflected nationally. For example, during October, over 72,000 journeys were made on combined Go Wellington and Valley Flyer bus services, and 20,000 on KiwiRail services in the Region.

It is of course not yet possible to determine to what degree SuperGold card journeys replace journeys formerly made at different times and by other payment means, nor what the seasonal trends might be. However, early anecdotal evidence suggests that there are a significant proportion of 'new' journeys, that growth is building, and that travel is least popular on days when the weather is bad.

3.2 Existing Local Concessionary Travel Schemes

3.2.1 Operators' own schemes

There is no standard Council subsidised 'Metlink' concessionary travel scheme for seniors applicable across all services in the network. The majority of existing concessions in the region were provided commercially by operators of Metlink services. For example, the harbour ferry offered a concession fare for those aged 65 years and over (available at all times), and Valley Flyer offered a concession for those over 60 who travel after 9am (but only in conjunction with a Go Rider smartcard). Mana/Newlands offered no concession fare for senior citizens.

The introduction of the SuperGold scheme created a number of overlaps and issues relating to those concession arrangements already in existence. These primarily concern the eligibility of concession holders (by virtue of age or area of residence) and the eligibility of services (through definition of 'off-peak' hours). These two issues are discussed further below.

In the interests of standardisation and simplicity, operators have used the introduction of the SuperGold concession to discontinue their own, commercially provided, concessionary travel products. In most cases the SuperGold free concession is more generous (although available at slightly different times, and not applying to those aged between 60 and 65).

3.2.2 Train services

No senior concessions were available on Metlink train services. However, certain 'off-peak' train services identified in the timetables have discounted

fares applicable to anyone travelling at these times. However, for historic reasons the off-peak times vary between the different train lines.

3.2.3 Go Wellington Scheme

The one seniors concessionary scheme subsidised by this Council is a legacy arrangement applicable to Go Wellington services only. This scheme has its origins when Wellington City Council (WCC) owned the bus company. The scheme provides half-price travel for Wellington residents aged 60 (compared to the 65 for the SuperGold scheme) and over, and is available after 9am, but not between 4pm and 6pm (compared to 3pm to 6.30pm for SuperGold). The scheme is available for single cash trips only – it is not available with Snapper cards.

The scheme also provides concessionary travel to certain other beneficiaries including war veterans, blind persons and those in receipt of various benefits, though not the Unemployment or Sickness benefit.

The scheme is administered by WCC, but the free travel provision is funded by Greater Wellington.

4. Issues arising from the introduction of SuperGold card

4.1 Eligibility of Concession Holders

The age of eligibility for a SuperGold card is 65 years, which is now generally accepted as the standard definition of a senior citizen. However the age of eligibility for senior citizen travel concessions in this region has conventionally been 60 (although in all other regions in NZ in which a senior concession is available, the age of eligibility is 65).

The differing ages of eligibility was seen as confusing and was resolved by the operators (with regard to their own products) by standardising the age with that set for the SuperGold scheme. With that standardisation the need to provide a separate local scheme was also questioned, as the SuperGold scheme provided a greater level of discount. Thus many of the local products were withdrawn by the operators. The greatest impact of this was the removal of the discount for those aged between 60 and 65. However the issue remains unresolved for the Go Wellington scheme as that requires Regional Council approval for it to be changed.

Two other issues exist with the Go Wellington scheme. Firstly, eligibility also requires proof of residence in the Wellington City area. Thus no-one living in Porirua for example is able to access the discount.

Secondly, war veterans currently receive free travel under the Go Wellington scheme under the same historic arrangement. However, as veterans are eligible for the SuperGold card, the concession is effectively duplicated, but is more beneficial under SuperGold as it extends to all services (although the hours of availability are less with SuperGold).

4.2 Eligibility of Services – ‘Off-Peak’ Hours

Existing local concessions were generally available ‘off-peak’ only. Differing definitions of off-peak existed without significant conflict, as there was no potential for transfer of the concessions between the services of different operators, unlike that now offered by a national scheme under SuperGold.

The differing definitions of ‘off-peak’ and anticipation of the consequent potential for confusion for users and providers of public transport services, is known to have been a material consideration in the withdrawal by operators of their own senior concessionary schemes.

The inconsistency of the ‘off-peak’ definition of train services specified in the timetables (and subject to reduced fares for all passengers) with the SuperGold definition of “off-peak,” presents the same potential for confusion. This issue can be relatively easily resolved by aligning the train off-peak times with those of the SuperGold scheme.

It is suggested therefore that, subject to discussion with the operator, off-peak services specified in the train timetables be changed to align with the SuperGold off-peak periods. This could be done when timetables are next re-printed.

5. Rationalisation of concessionary schemes

The decision by operators to withdraw their senior concessionary products has created some controversy due to the loss of discounts to those aged between 60 and 65. However, these are commercial decisions made by the companies about their own products.

The sole remaining senior concession, and the only one funded by Greater Wellington, is the historic Go Wellington scheme. The differing eligibility criteria, forms of identification and discount levels, are known to be confusing for passengers as well as drivers, and make advertising the various schemes complex. It also makes little sense to have a concession scheme for only those aged between 60 and 65, and in only a part of the Region (and only available to residents of that part of the region).

In the current situation therefore, some rationalisation of at least the age and hours of application is clearly desirable, and it is inevitable that this would be towards alignment with the SuperGold scheme.

This alignment could be carried out as part of the planned wider review of Council concession fares. But the immediate issue of overlap and inconsistency with the SuperGold scheme, and that presented by the withdrawal of the operator schemes, suggests that confusion would be minimised if the alignment took place now.

Increasing the age of eligibility of the Go Wellington scheme to 65 therefore seems a logical option. And in doing this, the Go Wellington scheme becomes redundant as it then largely matches the free SuperGold scheme. Those aged

between 60 and 65 would lose out, as they would lose access to the current 50% discount on single cash trips – although they would, like everyone else, have access to the 25% discount available through the Snapper card).

Wellington City Council, as the scheme administrator has agreed in principle to the senior and veteran elements of the Go Wellington scheme being reviewed, with the expectation that their removal would be a natural conclusion. WCC has also agreed to no longer issue permits for the scheme to those aged between 60 and 65 (if that is the decision of this Committee).

Go Wellington, as the operator involved, is in strong agreement with the principle of achieving consistency in the application of senior travel entitlements, following the introduction of the SuperGold scheme.

It is suggested therefore that the Committee agrees to the removal of the senior concession element of the Go Wellington scheme, after a suitable notice period. During this period, no new passes would be issued and where possible, existing users would be notified of the proposed scheme end date through suitable communication. The suggested end date is from 31 March 2009.

It is also suggested that, since under SuperGold, veterans receive free travel (with no age limit, and paid for by the Government rather than by this Council), there is no need for the Go Wellington veterans discount to continue. Thus this local concession should also be removed.

It is further suggested the Committee agrees to a review, in conjunction with WCC, of those residual elements of the scheme, covering other beneficiaries.

6. Communication

The decisions of the Committee will need to be communicated to users. It is suggested that if it is the decision of the Committee to end the scheme from 31 March 2009, brochures would be handed out to users on bus in the intervening period, in addition to more general publicity.

7. Recommendations

That the Committee:

- 1. Receives the report;*
- 2. Notes the content of the report;*
- 3. Notes that free off-peak travel for SuperGold card holders began on 1 October; that the SuperGold scheme provides for the replacement or betterment of most existing senior concessions; and that early take-up in the Region is significant;*
- 4. Notes the consequent withdrawal of operators' commercial senior concessions from 1 October;*

5. *Notes the limited application of the remaining Go Wellington/Metlink concession scheme, its inconsistency with SuperGold eligibility and application criteria, and its duplication for veterans;*
6. **Agrees to:**
 - (i) *arrange with Wellington City Council for them to cease the issue of further senior and veteran concession passes, with immediate effect;*
 - (ii) *withdraw, subject to agreement on the necessary contractual changes with the operator, the Go Wellington/Metlink concession scheme for seniors and veterans from 31 March 2009 (noting that it is replaced for veterans, and essentially replaced for seniors, by the SuperGold scheme);*
 - (iii) *undertake a review, in conjunction with WCC, of the remaining elements of the Go Wellington/Metlink concession fare scheme, applying to other beneficiaries;*
7. **Agrees to bring consistency to the definition of the off-peak period for train services on the different lines, and to ensure that the times align with the off-peak hours as defined in the SuperGold card travel scheme.**

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