



Submission on the 2022 Budget Policy Statement

By Parents for Climate Aotearoa

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INTRODUCTION

[Parents for Climate Aotearoa](#) is a group of largely parents and wider whānau, concerned with our families and particularly the future of our tamariki and mokopuna in a rapidly warming world. Our parents come from a range of backgrounds and experiences. We are ordinary parents standing up for climate justice, to ensure all children have a safe climate and world to live in.

We are very concerned for those already vulnerable, marginalised and whose voices are ignored in our society. They are most at risk of the consequences of climate change and by poorly thought out mitigation measures. **Our society's role, led by the government is to ensure that no one is left behind.** Our lack of urgency and action today will be felt by our children tomorrow - many people, particularly women and children are hurting today around the world, from the consequences of global warming.

We listened to many of our members tell us about their lived experiences, systemic barriers preventing transition and how important meaningful change is for them and their whānau. **Parents are extremely anxious about their children and**

grandchildren's future world; they give a strong mandate to go further and faster. There is a willingness to adapt to different ways of living, working and moving around Aotearoa to the benefit of our young people.

Transport is a main focus of ours and we want to see a solid infrastructure built for all active modes. We want public transport to be affordable to everyone so they can participate fully in society and travel in a way that's kind to the environment. We see the cost of public transport as one significant barrier that is resulting in 'forced' car use for some groups and leaving others with no transport options at all. Our climate, and the wellbeing of individuals and communities, are all suffering as a result.

Question 1. We wish to make the following comments

The majority of this submission is from an incredible group effort through Free Fares NZ.

P4CA stance - JUST DO THE RIGHT THING. Not the political expedient thing. The things that we need because we will follow that. We did in 2020 and we will now for our children. We are a cross party group and just want all children to have the best outcomes.

1. Budget Frameworks

We support the government's continued use of a wellbeing approach towards achieving its policy goals, including taking an intergenerational view to tackling long-term challenges and looking beyond traditional measures of success towards broader indicators of wellbeing.

We support the use of the Living Standards Framework, and efforts undertaken to refine the framework to continue to improve on it. **We also support the development of He Ara Waiora**, and the consideration given to distributional impacts of policies on different groups and the environment. We support these long-term, well-being based approaches, because we already see the impact of climate change on people's wellbeing everywhere.

We agree that funding needs to be allocated rapidly towards our climate change response, as stated in the third overarching goal of the Budget. We applaud the policy statement's acknowledgement that "making progress towards our emissions reduction goals" will be one of the two focuses for Budget 2022.

The Budget Policy Statement also states that “Climate change is one of the most pressing long-term challenges facing New Zealand.” (p. 24). But climate change is a pressing challenge now: its effects are being felt across Aotearoa and around the Pacific, and these effects will swiftly escalate. The Government has declared a climate emergency - it must act now, and the need for a just transition must not be used as an excuse to delay climate action.

→ ***We submit that the Government should apply a climate lens to all policy and seriously.***

2. Wellbeing objectives

We support in broad terms the wellbeing objectives and policy goals set out in Budget Policy Statement 2022, and feel heartened that a Just Transition is number one on the list of wellbeing objectives for Budget 2022. However, **we have major concerns about the limited ways in which the objectives are to be implemented, and the resources available for their implementation** under the current tax base. Funding also needs to be budgeted for a genuine and ongoing engagement process between government and workers in their unions, as well as with Māori and Pacific communities.

Economic inequality reduction should be added to the BPS as an additional policy goal. This goal should have specific reduction targets relevant to specific groups over a nominated timeframe. Real reduction in economic inequality is an important objective for several reasons, including the negative impact economic inequality has on social cohesion, which the BPS refers to as critical to responding to the COVID-19 pandemic. Improving inequalities would also be a basis for creating the revitalised welfare system necessary for increased standards in health, housing and education. Increasing incomes for the families of children suffering poverty, through further reform of the income support system, is a priority in reducing inequality and should be funded in this year’s Budget. An inequalities reduction goal would align well with the new Living Standards Framework as well as other frameworks in particular He Ara Waiora and Fonofale.[1]

Our children are going to bear the brunt of climate change if we do not implement change now. Their wellbeing is at a high risk.

Question 2.

We wish to make the following recommendations

Climate Change

We strongly support the establishment of the Climate Emergency Response Fund (CERF). We also support the earmarking of proceeds from the Emissions Trading Scheme (ETS) and using this for “emissions reductions” (ensuring that this is referring to long term sustainable zero carbon initiatives, and does not include buying offsets and credits). The impact of climate change that we are already seeing will be even greater, more widespread, and longer lasting than those of COVID-19, so the investment in curtailing its impacts should be proportional.

Free Fares - to Improve Wellbeing Reduce Emissions

→ We call on the Government to use Budget 2022 to implement free public transport nationwide for:

- under 25s
- Community Service Card holders
- full- and part-time tertiary students.

This is a step to address transport poverty, improve wellbeing and shift towards a just transition. We also strongly encourage the Government to consider the need for free fares for Total Mobility Card holders.

We need a bold, nationwide fare reduction policy to kickstart mode shift and tackle transport poverty. The Government’s current plan to run a three-year fares subsidy pilot in Auckland then “consider” nationwide implementation is not acting with sufficient urgency. We need the Government to fund free fares for public transport nationwide in this Budget period.

We see this policy sitting alongside other transport policies aimed at improving the quality and availability of public transport and discouraging car use (such as no-car zones and congestion charges). It is important that active transport infrastructure for walking and cycling receive adequate investment.

Introducing free fares for these key groups would contribute to several of the wellbeing objectives stated in the Budget Policy Statement.

Free fares will boost public transport use, contribute to mode shift and reduce our carbon emissions.

Transport is New Zealand's fastest growing source of greenhouse gas emissions. The government's draft Emission Reduction Plan (ERP) sets out ambitious goals to increase public transport over the next nine years. Public transport currently accounts for 3.5% of the total distance travelled by New Zealanders across different transport options. The ERP requires that proportion to increase to 7.7% by 2030.

Increased use of public transport, signifies trends away from car-dominated transport systems to systems in which public transport is normalised. In Scotland, the Ministry of Transport announced in July 2021 it was extending its under-18s free bus fare scheme to those aged under 22 on the grounds that it is "crucial to embed sustainable behaviour".

Studies in Aotearoa New Zealand and overseas show that free public transport results in significant increases to patronage and these increases are particularly marked among younger age groups (see Appendix 2). Free buses for children in the Bay of Plenty resulted in 40% increased ridership. Free fare schemes in the Hague (The Netherlands), Aubagne (France), Avesta (Sweden) and Frýdek-Místek (Czechia) led to double to triple patronage rates. Free public transport in Hasselt (Belgium) and Templin (Germany) led to increases in patronage in excess of 1,000%.

Studies show that free public transport can create a mode shift away from private car use. For example, one year following its implementation, the SuperGold Card had caused over 65s to take 1.4 million fewer car journeys.^[2] Over 60% of SuperGold Card-holders said they "often" or "sometimes" preferred taking public transport over car travel.^[3] While across studies, transition from car use to public transport is less pronounced than increases to ridership, free fares do contribute to meaningful change in reducing car travel.

Undoubtedly, free public transport fares for under 25s, Community Services Card holders and tertiary students is likely to increase public transport use considerably. This will embed sustainable transport behavior, particularly in younger people, helping the long-term shift away from private car use.

Free public transport will address transport poverty and structural disadvantages in the transport system. As highlighted by Waka Kotahi New Zealand Transport Agency in its report, Social impact assessment of mode shift (2020), the transport system can create and exacerbate inequities.^[4] Lack of transport can reduce people's ability to access employment, healthcare, education, healthy food, and social and recreational activities - in short their ability to participate fully in society. Steps to

address equity within the transport system therefore have huge impacts for individuals and the community at large.

Waka Kotahi has commented on the need for transitions in transport systems to provide for the disadvantaged: ^[5] *“It is important to ensure that mode shift policies which focus on expanding mode choice do not restrict the opportunities of those who might already be facing transport deprivation. Similarly, if mode shift policies expand the choices of those who are already most mobile, existing inequities will widen.”*

It is important that low-income groups benefit from the shift to a low-emissions economy - and there are real risks they could be made worse off. Rapid changes in the environment, such as higher fuel taxes and parking costs will be more difficult for low-income households to bear than high income households.

Emissions target policies to reduce transport emissions must not promote EV use while neglecting public transport. Allocating society’s resources to policies that make EVs more affordable do not serve those who will not be able to afford an EV. It is a regressive subsidy for the wealthy that will exacerbate existing transport inequalities arising from our car-centric transport system.^[6]

People on low incomes already pay a disproportionate amount of their income on transport. Low-income households spend 28% of their budget on transport compared to 8% for high-income households.^[7] Most New Zealand cities are designed for car owners, yet people on low incomes are least likely to own a car and most likely to rely on public transport. Some lack any transport options that are affordable and suitable, which detracts their health, mental health, education and employment and harms the wellbeing of communities. Māori and Pasifika are twice as likely as Europeans to have unmet need for a GP due to lack of transport.^[8]

A 2018-2019 survey by the Ministry of Transport found that only a minority of adults agreed public transport was affordable (Auckland 35%; Christchurch 36%; Wellington 41%).^[9]

Community Services Cards are available to people on low incomes - whether or not they receive a benefit. To qualify, before-tax income must be below \$27,909 for a single person living with others; \$29,618 for a single person living alone; or \$44,290 for a couple with no children. Income limits rise with children. Superannuants and tertiary students are eligible.^[10] While many who qualify have not registered, the Community Services Card remains the best established method to identify people on the lowest incomes.

Free fares would make a direct and significant impact on these problems. It would improve access to healthcare, education, employment and social connection; and enable people to save money for other expenses. Evidence from existing free fares schemes in Aotearoa shows this in action. In the 2009 survey of 150 SuperGold Card holders,^[11] respondents reported cost savings, benefits to physical and mental health; increased social connection; increased volunteering and community participation. Over 40% of respondents reported it was “often true” that they “spent less money on public transport each month”, and “get out and about and so enjoy life more”. Community Services Card holders should also enjoy these benefits.

In transport planning, there is a tendency to offer fare concessions at specific times to shift demand to off-peak hours. Nevertheless, time-bound free fares may be inequitable. Lower-income groups and students still require public transport at peak times to access work and study. Waka Kotahi cites evidence that suggests that women have less flexible schedules and are less able to change their time of travel even when incentivised to do so.^[12] Consequently, time-varying charges may disproportionately affect women and other groups as they may be unable to modify their travel in response to the policy.

Free fares will embed the habit of public transport use in young people and improve their wellbeing and educational outcomes.

Young people are another group likely to rely on public transport. We know that habits become ingrained when people are young, and studies recommend making public transport free for young people, to both encourage public transport use as a habit and to enable young people to access opportunities like education, training and employment.^[13] Free fares for young people also offers assistance to families who travel with children, making public transport a more desirable and viable option.

Young people are New Zealand’s biggest public transport users. As mentioned above (and shown in Figure 4), of all age groups, 0-15 year-olds travel the greatest distance by public transport, followed by 16-30 year olds. This is likely because they are too young to drive or have insufficient earnings to afford a private vehicle.

As with other groups that are more reliant on public transport, young people face disadvantage in a car-dominated society. 15-24 year-olds are the most likely age group to have an unmet need for a GP due to lack of transport.^[14] This suggests broader unmet need for transport in this population. Young people incur high costs to travel by public

transport. This is particularly difficult for families who must fund fares for multiple children.

Increased public transport by young people not only supports their health, education and employment but it also has other benefits. Young people can travel further afield for work and study opportunities. The study of free buses for children in the Bay of Plenty found added benefits of reduced truancy levels and fewer late arrivals at school. Parents reported feeling less stressed and having more money available for other expenditure.^[15]

Free fares will support education. For tertiary students, the cost of public transport impedes study. Some students trade off which days they can afford to travel to campus, reducing their access to resources. Others study part time in order to work part time to cover rising living costs. Adult students make up a significant portion of the student population and also face these challenges. While many students are eligible for Community Services Cards, not many are aware they qualify - but student ID cards are widely used. We submit that free fares should be extended to all full- and part-time students with student ID cards as proof of eligibility.

What would free fares mean for people and communities:

“Reliable, regular, free or low cost fares would make a huge difference in many families’ lives. It would help families be less car reliant, foster growing independence in our children and young people and make public transport a climate friendly, easy and affordable choice. Right now it is simply too expensive”.

— Alicia Hall, National Coordinator for Parents for Climate Aotearoa

“Free bus rides would be much easier because we wouldn’t stress over not having enough money for the bus fare to get to school.”

— A Whaanga

“Me and my friend were going to Te Wānanga o Aotearoa ... doing Māori movement through Hawaiki TŪ. I loved it, I loved every single bit of it. What I didn’t like was it was costing me twenty dollars a day to get there and home.”^[16]

— Auckland student who discontinued that course of study

“My life is dependent on public transport. I feel it is a cost I shouldn’t be having to fork out for. If it was free, I would definitely go to a lot of places. It would mean I could put money towards other things, like other bills. It would save a lot of money for those of us on low incomes, because one of our biggest costs is the bus fares. When public transport isn’t running, I don’t have a life.”

— Wesley Gyles-Bedford, Community Services Card holder in Wellington

“Having free bus fares would allow me to save the money for healthy groceries and basic expenses.”

— A Community Services Card holder in Auckland

“I stopped catching the bus when fares went back up after lockdown, and now go into town less often or drive in.”

— Adam Currie, young person in Ōtepoti Dunedin

“Free transport would be transformational to students. Many of us live on low incomes ... We want to make the best choice for the climate, but that’s hard when it’s so expensive.”

— Kim Fowler, President of the University of Canterbury Students Association

“I feel like staying in one place is really bad for depression. ... I wanna do things, and the doctor said I should be doing things. But I can’t do things, because I don’t have money...”

— Young person in Christchurch^[17]

“Children and young people will lead behaviour change. The price of public transport is a barrier for families - it’s cheaper to take a car. This has to change.”

— City councillor

^[1] See Appendix 2 for a table of these studies.

^[2] McDermott Miller Limited, Review of the SuperGold Card Free Public Transport Travel Scheme: Social and Economic benefits to users and the wider economy, (Wellington: McDermott Miller Limited, 2010).

^[3] Deborah Burns, Super Gold Card - Free Public Transport Initiative; Survey of people aged 65 plus (Wellington: New Zealand Transport Authority, 2009).

^[4] Curl et al., Social impact assessment of mode shift.

^[5] Curl et al., Social impact assessment of mode shift, 3.

^[6] Holly Walker, Te Ara Matatika: The Fair Path (Auckland: The Helen Clark Foundation and WSP, 2021), 38.

^[7] “Inclusive Access: Household Spending on Transport”, Transport Indicators, Ministry of Transport,
www.transport.govt.nz/statistics-and-insights/transport-indicators/sheet/inclusive-access

^[8] Ministry of Health, ‘Unmet need for GP due to lack of transport by ethnicity,’ cited in Curl et al., Social impact assessment of mode shift, 39.

^[9] Ministry of Transport, “Inclusive Access.”

^[10] Full eligibility criteria are listed on the WINZ website:
www.workandincome.govt.nz/products/a-z-benefits/community-services-card.html#null.

^[11] Deborah Burns, Super Gold Card - Free Public Transport Initiative; Survey of people aged 65 plus (Wellington: New Zealand Transport Authority, 2009).

^[12] E Ben-Elia and D Ettema, “Rewarding rush-hour avoidance: a study of commuters’ travel behavior,” Transportation Research Part A: Policy and Practice 45 (2011): 567–582, cited in Curl et al., Social impact assessment of mode shift, 62.

^[13] R Hodgson et al., Shaping Cities for Youth: Key findings and Recommendations, Volume 1 (Wellington: Ministry of Business, Innovation and Employment, 2020).

^[14] Ministry of Health, cited in Curl et al., Social impact assessment.

^[15] Richards, “Bus fare policies to improve equity.”

^[16] Cited in Rosee Hodgson, “Out of Options: Transport and the health and wellbeing of NEET young people in Christchurch and Auckland, New Zealand” (Provisional title. Unpublished PhD diss., University of Otago, 2021).

^[17] Cited in Rosee Hodgson, “Out of Options: Transport and the health and wellbeing of NEET young people in Christchurch and Auckland, New Zealand” (Provisional title. Unpublished PhD diss., University of Otago, 2021). 17
