WORKING PAPER

The Congestion Question

Could road pricing improve Auckland's traffic?

Workstream 10

Mitigations policy

November 2019

Working draft vD

Table of contents

1 Introduction

1.1 Purpose

This paper outlines design considerations for a possible mitigations policy, as part of The Congestion Question (TCQ). The policy would target road-users or households that may require compensation for the financial burden of the congestion charge. The paper considers how that group of people could be identified and what mitigation mechanisms could be used.

1.2 Scope and relationship to other workstreams

The mitigations policy work focuses on how compensation could be targeted and delivered to a group, with an emphasis on leveraging current systems. Potential mitigations relate to a number of other TCQ workstreams, with the relationships discussed below:

- Social assessment
- Tariff policy
- Complementary measures
- Revenue.

1.2.1 Social assessment workstream

The social assessment workstream is better positioned to answer the question of whether the level of financial burden incurred by certain groups, as a result of a congestion charge, *necessitates* compensation under a mitigations policy.

Determining what the exact financial burden will be on households, and low-income households in particular, is extremely difficult and will depend at least in part on the scheme that is deployed. However, it is likely that that there are a significant number of low income households who will face a significant financial cost in relation to their income from deployment of a congestion charging scheme. The design of the mitigation policy in this paper, considers how to best target this group.

1.2.2 Tariff policy workstream

The tariff policy workstream is considering what the design characteristics of the tariff should be. Some of the justification for a mitigations policy depends on the final design of the tariff system, such as the tariff, possible daily maximum or trip caps, and locations for implementation. The tariff policy also discusses the recommended exemptions from the congestion charge, such as emergency vehicles.

1.2.3 Complementary measures workstream

Increasing public transport (PT) to provide alternatives to vehicle trips could be an effective way to mitigate the financial impact of the congesting pricing scheme, if vehicle users are willing to change mode. The complementary measures workstream considered the use of lower PT fares amongst other options. There is also ongoing work outside TCQ, to consider increases to the level of service, and investment in, the PT network.

This paper focuses on the links with other initiatives that may provide lower PT fares for low income households.

1.2.4 Revenue workstream

Any mitigations policy that uses a price subsidy for a targeted group of users will have impacts on the amount of revenue that the scheme collects. Likewise, an income subsidy for the targeted group may be funded from scheme revenue. The revenue policy workstream will need to consider these issues, alongside other potential revenue uses.

1.2.5 Communications workstream

The mitigations policy will be an important part of the stakeholder and public engagement activity, and be a key part of future consultation on the scheme as a whole.

1.3 Background

There are approximately 1.2 million vehicles registered in the greater Auckland region, used by approximately 1.7 million people. These are by owned by the approximately 560,000 households and more than half of all households (58 percent in 2013 census) have access to two or more vehicles. Only 8 percent of households have no vehicle, (a large number of these are in the inner city) while 34 percent have one vehicle.

1.3.1 Current costs of transport in Auckland

Auckland households face high financial costs of housing and transport and these have increased significantly in the last decade. A recent study by PWC[1] shows average weekly household transport costs have increased over $60 since 2008 (see Figure 1). Over a similar period, Auckland household discretionary income has decreased some 40% - the worst among the 11 New Zealand and Australian cities included in the study (Figure 2 and Figure 3).

With existing transport costs high and increasing, further increases to the cost of living may further decrease the competitiveness of Auckland compared to other cities. This may possibly discourage international migration and encourage further internal migration to other parts of the country.

While the benefits of congestion pricing schemes focusing on network performance are well documented, the existing high financial costs of transport in Auckland emphasises the need to carefully consider mitigation for any householders who may face an unreasonable and unavoidable increase in transport costs due to the congestion charges implemented.

[1] https://www.pwc.co.nz/publications/2019/citiesinstitute/cities-urban-competitivesness-tech-report-4.0.pdf

FIGURE 1: REAL CHANGES IN ESTIMATED WEEKLY HOUSEHOLD EXPENDITURE (2008 - 2018)

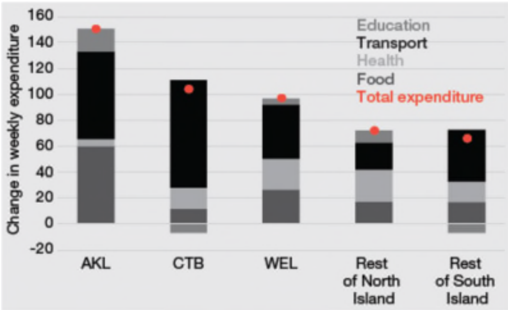

FIGURE 2: ESTIMATED REAL NZ HOUSEHOLD DISCRETIONARY INCOME INDEX

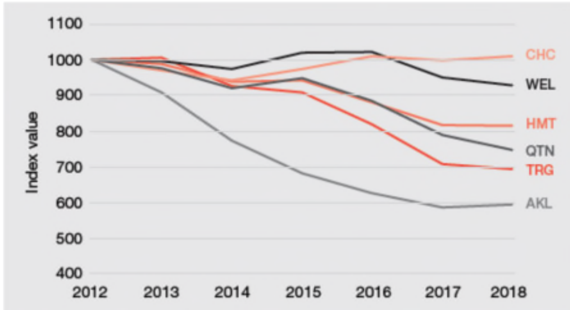

FIGURE 3: CHANGES IN ESTIMATED HOUSEHOLD DISCRETIONARY INCOME IN 11 AUSTRALASIAN CITIES (2008-2018)

Source: https://www.pwc.co.nz/publications/2019/citiesinstitute/cities-urban-competitivesness-tech-report-4.0.pdf

2 Objectives of the mitigations policy

Internationally, charging schemes have generally provided relief (either through a discount or exemption) to certain groups of road users which would be unduly affected by the charges. Most have provided relief to specific groups that are affected by the schemes, though Singapore is unusual in this context, with only emergency service vehicles being exempted.

There are several international examples[2] of proposed pricing schemes not proceeding because of reported public concern with the impacts of the scheme for lower socio-economic groups.

[2] See https://www.transport.govt.nz/assets/Uploads/Land/Documents/3e828706f5/ASTPP-Scheme-review1.8.pdf

The following suggested objectives for the mitigations policy offer guiding design principles for the scheme and a criteria to assess options later in the paper.

Mitigations policy has a key role to play in the public perception, stakeholder engagement, consultation and ultimately, the political willingness to adopt the scheme.

2.1 Policy objectives

Objective 1: Identify the eligible group of users

Any mitigations policy should only be targeted to the group of road users who require compensation. This objective focuses on the welfare perspective – ensuring that those worse-off households are not unduly disadvantaged by the scheme. The policy should avoid providing unnecessary mitigation to those who do not need it. It should also avoid undermining the overall effectiveness of the scheme by providing too broad a mitigation.

The mitigations policy should identify and target mitigation towards households that incur excessive increased financial cost and who have low income, vehicle dependency, high value (or high scheduling cost[3]) trips at congested times, and who cannot otherwise avoid the charge through behavioural change. It should also seek to mitigate flow-on impacts such as reduced ability to sustain or find employment and negative effects on family life.

As with many social welfare policies, due to data availability and privacy concerns, there are limitations to perfectly identifying people who should be eligible for the mitigation. It is important to accept that a lack of available detailed evidence is not evidence in itself that a mitigations policy is not necessary. The mitigations policy may still be justifiable on a first-principle basis.

Objective 2: Deliver the appropriate level of mitigation through a targeted mechanism

For the group(s) deemed eligible under the policy, an appropriate level of mitigation should be delivered to adequately compensate or negate the negative welfare impact of the financial impact of the scheme. If possible the level of mitigation should not exceed this level, nor under deliver, for the eligible households.

To the extent possible, mitigation should scale with the level of use of the scheme – that is, more mitigation should be provided to those eligible households that incur higher costs due to justified use of the scheme. However, there may still be reasons to limit mitigation in these cases to avoid promoting excess use of the scheme. This is a key difference between a price-subsidy (discounts and exemptions) and income-subsidy (income grants) mechanism to delivering mitigation, as discussed later.

[3] A limited ability to travel at another time, rather than where their time itself is valuable. For example there is little flexibility in timing for parent to pick up a child from kindergarten, whether they are employed or not.

OBJECTIVE 3: AVOID UNNECESSARILY UNDERMINING THE DEMAND MANAGEMENT OBJECTIVES OF THE SCHEME

The demand management objective of the scheme is to increase network performance through reduced congestion. To preserve this objective, the eligibility criteria, level and mechanism of the mitigations policy should be limited to only what is necessary and opportunities to gain benefit when not entitled (gaming the system) should be minimised where possible.

The tariff is the key feature of any congestion pricing scheme that incentivises users to change their behaviour and reduce congestion by using the network more efficiently. To the extent possible, the mitigations policy should retain some price incentive on people eligible for mitigation so that they, while being compensated, also are encouraged to consider their travel behaviour over time.

The risk of gaming is unavoidable in the mitigations policy and may impact on the demand management objective of the scheme. Design of the policy can only go so far in mitigating this risk and it is likely that monitoring and enforcement would also be necessary as part of the operation of the scheme, especially if it risks compromising the effectiveness of the overall scheme.

OBJECTIVE 4: ADMINISTRATIVE EFFICIENCY AND IMPLEMENTATION CONSIDERATIONS

The mitigations policy should be implemented in a way that minimises operating costs and administrative burden. As far as possible, any mitigations policy should draw on existing systems, especially with respect to eligibility criteria, and not create its own.

OBJECTIVE 5: SYSTEMS INTEGRATION AND EASE-OF-USE

The mitigations policy should be designed in a way that integrates with existing systems and maximises ease-of use.

3 Eligibility criteria for mitigation

This section focuses on objective 1, in particular:

- exploring how different groups could be identified to be eligible under the mitigations policy, with an emphasis on using existing systems and criteria
- whether there is a robust justification that the groups require mitigation.

For the mitigations policy we are primarily concerned with road-users that may require compensation for the additional financial burden of the congestion scheme.

3.1 Income / socioeconomic

It will be important to clearly consider and seek to mitigate excessively negative impacts on lower socio-economic households, after all practical steps have been taken in the scheme design to reduce these impacts.

Both international and Auckland-based studies have found that transport disadvantage tends to be more acute in specific areas, particularly outer-urban (or 'urban fringe') areas, along with rural and remote locations. People living in these areas are usually less well served by public transport compared to people living close to urban centres. Usually they will also need to travel longer distances, regardless of mode, to get to work and access other services or opportunities.

3.1.1 Scheme design

There are a range of options to mitigate costs for low-income households. These could include designing the scheme to only be deployed, especially initially, in areas of higher incomes, or in areas with a high degree of access to transport options such as public transport, and high quality walking and cycling connections (noting that these may not be in the most congested areas). Narrowing the time for charging would also reduce the number of vehicles affected, though this would be to the detriment of the overall impact of the scheme.

The impact of a cordon charge in the city centre is likely to have a less impact on lower income households as they are less likely to work in the affected area and there are already a range of alternative modes to travel to the city centre available. In contrast, charges that affect major transport corridors, especially if they are distance based, are more likely to affect the lower socio-economic groups.

Those without access to motor vehicles may benefit from congestion charging because it will improve the quality of service through reduced travel times of other transport options, especially for public transport.

3.1.2 Eligibility through Community Services Card (CSC)

In order to mitigate the costs of any of the scheme options it could be possible to give a discount from any charge to low income households. One existing measure that could be used to identify low income households would be through the possession of a Community Services Card (CSC).

CSC holders include people who receive a benefit from Work and Income, such as recipients of an accommodation supplement or a disability allowance, those without paid work, low-income families, people living in social housing, tertiary students that are eligible for a student allowance, and refugees[4]. Many CSC holders are in regular paid employment who may be expected to need to travel at peak times.

There are approximately 205,000 CSCs issued to the approximately 1.7 million people living in Auckland; this is 12 percent of the population. We do not have data on how many CSC holders also own vehicles, but in an extreme case, if all CSC holders owned vehicles, this would be 17 percent of the Auckland vehicle fleet. It is possible that providing an excessive level of mitigation, such as exempting all CSC holders from the scheme, could affect the scheme's overall effectiveness (if they were all driving their vehicles at congested times). Further analysis may be required to assess the possible impacts on congestion if CSC holders did not alter their travel behaviour.

---

[4] See Annex 2 or a more detailed description of the criteria.

It is assumed that only one member of a household would need to have a CSC for a vehicle at the address to be entitled to any specific mitigation option.

As a separate, but important, issue, it would be essential to consider how to manage any data about the holders of CSCs as this is private and sensitive information.

3.1.3 Eligibility through Super Gold Card

Another group that may be financially disadvantaged is the elderly. The Super Gold Card (SGC) is an obvious identifier for this group, as its eligibility criteria is solely linked to age. There are 205,000 SGC holders living in the Auckland region. Many SGC holders would be as able to meet additional travel costs as other motorists. Economically disadvantaged elderly will also qualify for CSCs and there are 45,000 people living in Auckland with both a CSC and an SGC. If the intention is only to assist the clearly economically disadvantaged, it is more appropriate to use the CSC as a mechanism of identifying eligibility for mitigation, rather than the SGC alone.

3.1.4 Mitigation through other welfare policies

As an alternative to providing a direct discount, the Government could provide other forms of financial assistance to lower income users. For example, to mitigate impacts on households from the 2018 changes to fuel taxes, including the Auckland Regional Fuel Tax, the Government did not provide direct mitigation. Instead it introduced a wider income support package to more generally assist lower income families with the cost of living. This included a Winter Energy Payment, the Best Start tax credit, changes to the Accommodation Supplement and Working for Families tax credits.

3.1.5 Mitigation through more affordable public transport services

Auckland Transport (and other public transport authorities in other regions) already has the ability to offer public transport fare concessions for low-income groups. Revenue from the congestion charging scheme could potentially be used to provide cheaper public transport fares for low-income groups, and/or better public transport services in socially deprived areas. This would need further consideration to determine the ease of delivery through concession mechanisms for example.

3.2 Disability and mobility access

The private motor vehicles that are most frequently exempted from overseas charging schemes are disability vehicles. The literature does not give a clear reason for this, but it is reasonable to assume that disabled people, and especially severely disabled people, will have less ability or opportunity to use alternatives to private motor vehicles.

In New Zealand there is no formal definition of a 'disability vehicle' and it could include:

- a person's own vehicle – could include those with modified controls or seating for a disabled person (full time disability vehicle)
- a caregiver's vehicle carrying one or more disabled people - an unmodified vehicle driven by an able-bodied person (part-time disability vehicle)
- taxis and other third-party modified vehicles with provision for disabled person, eg by having fold-up seats or ramp/winch (part-time disability vehicle)

- intellectually handicapped services (IHC) – vans with one or more disabled people
- specialised disabled transport services with modifications (eg Dial-a-Ride-Transport)
- school buses for disabled students – one to four wheelchair users, other disabled non-wheelchair users (part-time disability vehicle)
- rest home vans (part-time disability vehicle)
- hospital transfer vans (part-time disability vehicle).

Other than purpose-built or modified vehicles driven by a disabled person, most of these vehicle types are likely to carry able-bodied people at least for some of their trips on any given day. This may pose a risk for any broad-based eligibility for mitigation.

3.2.1 Certified modified vehicles

A narrow definition of a mobility vehicle is one that has legally approved modifications to address the disability. The Low Volume Vehicle Technical Association (LVVTA) certifies all vehicles that have been actively modified, including for use by disabled people, and these are identified on the Motor Vehicle Register. The LVTTA's records indicate that there are approximately 6,000 vehicles in New Zealand that have been modified to fit wheelchair lifts or other hoists or have purpose-built hand controls.

The LVTTA does not have a regional breakdown, but assuming the share of disability vehicles is consistent with Auckland's one-third share of the total national fleet, this would give an estimate of 2,000 legally modified vehicles – a negligible proportion of Auckland's total vehicle fleet (less than 0.2 percent).

Vehicles that have legally approved modifications would be the most clear-cut vehicle types to provide mitigation to. Given the relative expense of the necessary modifications required, there is very little risk of gaming. The London and Stockholm congestion schemes both exempt the equivalent vehicles.

3.2.2 Mobility parking permits

A much broader definition of 'disability vehicle' would be one where an occupant has a Mobility Parking Permit issued by CCS Disability Action. These permits are issued to individuals and are recognised by most councils in New Zealand as proof for access to disability car parking spaces and similar services. According to its website, CCS Disability Action has issued approximately 150,000 permits to individuals. The Mobility Parking Permits are issued to an individual and can be moved between vehicles as needed. Permits are available either for 5 years, for those with permanent disabilities, or three to 12 months for those with temporary concerns. Short-term permits cost $35 and five-year permits cost $50. The criteria for a permit are based on medical criteria[5], assessed by a doctor and the permits provide access to designated or discounted parking spaces.

---

[5] Refer to https://www.ccsdisabilityaction.org.nz/mobility-parking/applications-and-renewal/

The website for the scheme does not give a further breakdown, but assuming the share is consistent with Auckland's share of the national total, this would give an estimate of 50,000 vehicles carrying people who had a mobility parking permit.

Holding a mobility parking permit is not, on its own, an indicator that the user is economically disadvantaged. It may be reasonable to assume that those with short term disabilities would not be any more affected by the charging scheme than other motorists. If mitigations are to be proposed for this group, it may be more appropriate to consider these for those with permanent or longer-term disabilities.

In the London and Stockholm schemes holders of the equivalent mobility permits may register up to two vehicles that they would normally use to travel within the congestion charge zones. Both vehicles receive a 100 percent discount.

Not all disabled people use modified vehicles or require a Mobility Parking Permit issued by CCS Disability Action. These might be people who are deaf and do not drive their own vehicles. People with epilepsy are disqualified from driving, but are otherwise fully mobile.

3.2.3 Total Mobility Scheme

Another group of disabled people that may be disadvantaged by a charging scheme are those that use the subsidised Total Mobility Scheme. In 2018 there were around 19,500 users of the scheme in Auckland. The Total Mobility Scheme pays a portion of the travel costs of the user, which is usually a 50 percent subsidy, up to a maximum amount and which varies by council. This can be used for 'appropriate transport to meet their daily needs'. In Auckland the maximum contribution is $40[6]. Because the level of subsidy is capped, any additional charge from the congestion scheme may directly impact the user.

The effect of the congestion charge on the passenger depends in part on how the driver seeks to recover the fee. A driver making multiple short trips while the charge was in effect could seek to recover the full congestion charge from each passenger, even if the vehicle was only required to pay the charge once. Alternatively, the full charge might only be paid by just one passenger or it could be incorporated as a small increment in the overall taxi fare.

Although there could be an increase in costs for those using taxis or similar paid services if they have to pay the charge directly, it is likely that a user would have their fare reduced as a result of the decreased travel time, so the overall impact is unclear.

To mitigate negative impacts on this group of people, it will be simplest to increase the level of subsidy in the existing Total Mobility Scheme in the Auckland region. This could be by adding the cost of the daily congestion charge (or a percentage of the daily congestion charge, eg 50 percent, to be consistent with the Total Mobility Scheme subsidy) to the maximum daily allowance. The additional

[6] https://www.nzta.govt.nz/assets/resources/total-mobility-scheme/docs/total-mobility-around-new-zealand.pdf

cost for this subsidy increase could potentially be funded from the revenue from the congestion pricing scheme.

3.2.4 Summary

The three main existing eligibility criteria for disability and mobility access discussed here differ by what the eligibility test applies to. For certified modified vehicles the test applies to the vehicle – this would work well as an eligibility criterion for the mitigations policy.

For Mobility Parking Permits and Total Mobility Scheme, the eligibility criteria test applies to the individual. Neither of these schemes are tied to the eligible person's own vehicle, instead giving people the flexibility to receive special parking rights across different vehicles or receive compensation across a variety of transport choices. For these people, a mitigations policy cannot easily target them directly with a price subsidy, because there is no specific vehicle to give eligibility status too. Given they may ride in a variety of vehicles, it would be very difficult to effectively give each vehicle eligibility status, only when the vehicle is providing disability or mobility access services.

Exempting one or more specified vehicles nominated by a Mobility Parking Permit holder, as allowed for in London and Stockholm, remains an option. However, this increases the risks of gaming, and potentially undermining the overall effectiveness of the charging scheme. For these reasons a more generalised solution, such as supplementing existing, more general, solutions may be more straightforward. This limitation is discussed more below.

3.3 Other household characteristics

As set out in Section 2.1, there are other characteristics of individuals and households that, if possible to identify, would be useful to include as eligibility criteria for mitigation. These characteristics include identifying where people are low income, have high vehicle dependency, and who depend on using congested roads at congested times.

For instance, households with children, and especially single-parent families, generally face some of the largest financial costs relative to incomes. However, these groups may not fall into any of the other clearly defined groups.

Further work could be done to explore if any other existing social welfare eligibility, outside the eligibility of the CSC, could be effective at identifying people who should be eligible for mitigation.

3.4 Businesses

Internationally, congestion charging schemes do not usually treat vehicles used by businesses, other than those carrying paying passengers[7], differently from private motor vehicles. While courier or delivery vehicles, or those carrying passengers, may need to make repeated trips in and out of a charging zone at peak times, it is expected that the value of time savings and their ability to pass

[7] In London, taxis (including Uber and Lyft etc) were exempt, and this is considered one of the major undermining factors of the congestion charging scheme, as they make up some 40 percent of all vehicles travelling inside the congestion pricing zone. Since April 2019 companies such as Uber are required to pay.

costs on to customers would offset any increased costs. The social assessment has found that the introduction of a congestion charge in Auckland would have a net benefit to businesses through reduced travel times and improved journey time reliability. For this reason, no mitigation is recommended for businesses.

If a blanket daily cap in fees was adopted, it would also apply to business vehicles. However, given that there is likely to be a net benefit to businesses if a congestion charge is introduced, there is a question around whether business journeys should be eligible for the daily cap at all. If business journeys were not eligible for the daily cap, business or commercial vehicles would need to be able to be identified separately from general vehicles.

There are no transport databases that could readily be used to identify all business or commercial vehicles. From the Motor Vehicle Register, vehicle weight could be used to identify all goods vehicles with a gross vehicle mass greater than 3.5 tonnes, which by inference, are most likely to be business or commercial vehicles[8]. However, there would still be a large proportion of the car and light goods vehicle fleet that are used for business purposes and would need to be identified (eg through some self-declaration or registration process). To some degree, this supports the rationale for a daily cap in fees for all vehicles, as the self-declaration or registration process for business vehicles would be a considerable administrative burden due to the volume of vehicles required to register. It would also be prone to the risk of gaming, if business owners did not register their vehicles meaning further enforcement regimes would be required, adding to the administrative burden.

It is possible that some businesses would become less price competitive in their industry if they are located in an area where they are forced to use the scheme more than their peers (and pass on more cost to customers than their peers). In the absence of mitigation, we would have to rely on business behavioural change to remedy this. If there was a desire to offer any discount to mitigate the impacts, criteria would need to be developed.

3.4.1 Taxis

As discussed above in 3.2.3 there is a risk that congestion charges are used as quasi-revenue by taxis and other similar vehicles. For example, a taxi may make multiple short hires in the proposed charging period, with each passenger, potentially being charged a specific fee to recover the costs of the congestion charge. If a daily cap is applied to the vehicle, in theory it should be that cap, rather than a series of cumulative charges that is passed on to the customer, ideally spread across all the trips from the day (noting this would be difficult to control).

This aspect may be better addressed through existing legislation[9] around tariff setting that requires the publication of fares including “the circumstances in which extra charges may be made and the maximum amount of those charges”.

[8] A small number of privately owned campervans would have a gross vehicle mass greater than 3.5 tonnes. These are unlikely to be regularly driven at peak times, but could be separately identified if needed.

[9] The Land Transport Rule (Operator Licensing) 2007

Finally, there is a rationale that businesses can pass on the cost of a charge to customers. Where these costs are directly passed onto people (such as through increased travel costs) that are eligible under the mitigations policy for socioeconomic or disability and mobility access reasons – it would be more appropriate to target compensation to those people, rather than the businesses.

4 Mitigation delivery mechanisms

4.1 Mitigation mechanisms

Most mitigation mechanisms fall into two broad categories: price subsidies and income subsidies. For price subsidies, the charge in the scheme is reduced in some way for the eligible vehicles and their associated owners. For income subsidies, a direct grant of income is delivered to eligible people.

4.1.1 Price subsidy

4.1.1.1 *Exemption*

In this case the eligible vehicle is fully exempt from a charge in the congestion scheme. This would have the greatest benefit to the owner of the vehicle being exempted, but may undermine the effectiveness of the congestion pricing scheme if it is too widely available. Most charging schemes exempt at least some vehicle types automatically and some on a case-by-case basis. The Congestion Question tariff policy deals with recommended exemptions.

4.1.1.2 *Rebate*

In this case the owner of the eligible vehicle can apply for a rebate to be compensated for charges already or recently incurred in the scheme. This is more likely to deliver congestion benefits than a full exemption, as vehicle owners must still pay the fee at the time from their own money and will therefore still consider its impact in travel decisions. Rebates may be technically difficult to implement in practice, depending on the basis for the rebate and complexity of the refund process. They would add an additional administration burden and cost. A rebate mechanism may also have a negative effect on cash flow for low-income households, depending on the frequency of rebate payments.

4.1.1.3 *Discount*

In this case the eligible vehicle receives a discounted charge for use of the scheme. For example, a discount of 50%. This form of mitigation is likely to have a measurable effect for reducing congestion, as the vehicle owner must still consider the payment before making a choice to travel, even if the financial impact is lessened. As with rebates, this may be technically difficult to implement. However, in principle, this is simpler to implement than a rebate system as the discount is applied at the time, not in retrospect. If the discount is applied automatically to the vehicle it would not pose any additional administrative costs to the vehicle owner.

4.1.1.4 *Account credits (non-withdrawable)*

The account of the eligible owner/vehicle is credited with an agreed amount in advance. The credit can be used to pay for charges incurred in the scheme. This would mitigate the financial impact on the vehicle owner, while making some impact on the decision to travel, as the owner would still have to pay for travel after the value of any credit had been used. Potentially, any surplus account credit could also be transferable to a public transport card (HOP card). A credit would not be able to be transferred to another account or otherwise traded as the mitigation is intended to fall to the specific individual.

4.1.1.5 *Caps*

Most overseas schemes have a cap on total payments in one day. This is not a direct subsidy, but limits the maximum payment an individual may face.

From the perspective of having the greatest effect on congestion there should not be a limit to the possible charges, as vehicles that are making high use of the road networks at peak times are the travel pattern the charge is intended to dissuade. However, the application of a cap limits the financial burden imposed and this is an important consideration, particularly for those financially vulnerable users of the transport network.

The approach of capping the daily total is reported to have been incorporated in overseas schemes, including those that were planned but not implemented, to increase public acceptability.

A decision on any maximum daily cap would need to be defined when possible total costs incurred are better understood.

4.1.2 Income subsidy approach

4.1.2.1 *Account subsidy (withdrawable)*

An eligible owner's account is credited and the funds that are available for the owner to withdraw (eg transferable into their personal bank account or added to their public transport card). This may provide an incentive on the vehicle owner to not travel, as experience in trials in Australia[10] was that people wanted to retain as much of the 'free' money as possible for private use. The amount provided would need to be managed carefully to avoid over payments. It would also be necessary to consider the impact it might have on entitlement for other benefits if the credit was classified as 'income'.

An alternative would be to apply the subsidy at the household level, similar to how the Auckland Entrust electricity dividend is paid[11]. However, this blanket approach is not targeted at vehicle owners and attempting to do so would be incredibly complicated as it would require linking multiple

---

[10] https://changedconditionsahead.com/the-study/

[11] https://www.entrustnz.co.nz/entrust-dividend/

information sources. It could be targeted to low income households, through aligning with the welfare system and this is discussed separately below.

4.1.2.2 *Vehicle 'rego' discount*

There are a range of vehicle-related fees that are charged by the Government for use of a motor vehicle. These are primarily the annual vehicle licencing (rego) [12] and ACC fees, but there are other fees, depending on the vehicle. Eligible owners could be given a discount (or full exemption) to their annual vehicle licensing costs (noting that this is mostly made up of the ACC charge). This increases disposable income for the owner.

In practice, both licensing and ACC fees are set in legislation and are charged on a cost recovery basis. In the case of vehicle licensing, fees are relatively small ($43.50 per year). This therefore may not be a realistic option, but is included as an example of a type of compensation.

This mitigation option also relies on an individual owning their own vehicle, thus incurring the rego and ACC fees in the first place.

4.1.2.3 *Welfare payment adjustment (in the Auckland Region)*

At a much higher level, the costs of a scheme could be offset by increased welfare payments for all people with low incomes in the Auckland region. Examples of these payments include:

- Accommodation Supplement
- Jobseeker Support
- Working for Families tax credits
- Rates rebates.

Any adjustment to welfare payments would also apply to people who do not own vehicles. Consideration would also need to be given to how to target benefits to those affected, as most benefits are applied nationally. If desired, payment increases could be funded either from the Crown account generally or, more likely, from the revenue from the congestion pricing scheme, or a combination of the two sources.

4.2 Implementation limitations / considerations

This section discusses the practical considerations for eligibility testing, gaming and the relationship between the vehicle, the owner and the scheme-user's account.

4.2.1 One account per vehicle and account 'ownership' matches vehicle ownership

No decisions have been made as to how charging would be implemented, but it is reasonable to assume that it would use a similar collection process as the existing Auckland Northern Gateway toll road. On this road, each vehicle passing under the gantry has its number plate recorded. Vehicle

[12] Although popularly called 'rego', the annual fee to operate a vehicle is actually a licence. Registration occurs once, at the time the vehicles enters the fleet.

owners can either make a one-off payment, establish an account into which they can pay the charge (including building up a credit), or they can be billed monthly.

Although the household is likely to be an appropriate unit for considering the social impacts of congestion pricing, vehicles are licensed to the individual (or company). Because of the legal responsibilities between vehicle and owner, the congestion scheme account should also be linked with the same vehicle owner. This will align the legal responsibility of payment of the congestion charges with the person liable for the vehicle.

Potentially an account could be in the name of a family with several vehicles registered to it (as the Toll Road system allows). However, an individual vehicle cannot be registered to more than one account.

4.2.2 Eligibility for mitigation should be tested in one of two ways

Qualifying for eligibility under the mitigations policy should happen in one of two ways, depending on where the test is. Assuming vehicle-based accounts are established, then these can be used to link the account with proof of eligibility, such as details for a CSC or Mobility Parking Permit.

Mitigation options can then be applied in two ways:

- For eligibility criteria tested at the individual level, such as the CSC, the criteria should apply to the legal owner of the vehicle. If desired, this can be extended to dependents of an eligible individual, who also legally own a vehicle[13]. This could necessitate providing evidence of dependence on the eligible individual and could also be tied to the place of residence with dependent and eligible individual required to be at the same address.
- For eligibility criteria tested at the vehicle-level, such as modified vehicles status, the test will apply to the vehicle.

4.2.3 'Eligible vehicle' status

Price subsidies (discounts, exemptions, caps, etc) and income subsidies (income grants), discussed below in section 4.1, have different requirements for whether a vehicle needs to be given 'eligible status' in the scheme.

In particular:

- **Price subsidies** – require the owner's vehicle to be given 'eligible status' in the system, so that when a chargeable event is recorded for the vehicle, the associated owner's account receives the discount/exemption.
- **Income subsidies –** the vehicle does not need to be given 'eligible status' because under an income subsidy, the owner simply receives compensation in the form of a separate income grant.

[13] As per Annex 2, dependents are not eligible for CSCs themselves, unless they are qualifying tertiary students.

This highlights an important difference in potential for gaming between the two – under a price subsidy scheme, once a vehicle has 'eligible vehicle' status, anyone can drive it and receive the price subsidy. Gaming is effectively unavoidable with price subsidies unless a system is created that identifies the actual drivers of vehicles. In contrast, with income subsidies, and the provision of other non-direct benefits such as using the revenue to improve transport infrastructure, the benefits cannot be easily gamed, though they may be less targeted.

With mitigations that apply to 'eligible vehicles', there will be a risk of people attempting to game the system to be eligible to receive mitigation, when they are not intended to receive it under the policy. A key risk is around vehicle ownership, where owning a vehicle is a requirement for mitigation eligibility. There are two examples of how this will lead to gaming risk across price and income-subsidy mechanisms (refer to section 4.2):

- **Price subsidies** – non-eligible vehicle owners may try to change ownership of their vehicle to that of an eligible person (eg, CSC holder or Mobility Parking Permit holder) to so that their vehicle becomes eligible for the subsidy.
- **Income subsidies** – non-eligible people may try to change ownership of vehicles to an eligible person (eg, CSC holder) so that that person can receive the income subsidy. The two people may agree to split the income subsidy.

Because the costs of transferring vehicle ownership are negligible ($10) compared to the ongoing costs of the scheme, there will be a large financial incentive for this gaming to occur. This may be offset somewhat by the ongoing administration such as paying licensing, insurance, infringements etc, but it remains a risk.

Key options for managing this type of gaming could include:

- limit the number of eligible vehicles per eligible person, for example to one or two unless dispensation is granted
- tightening conditions and monitoring around change-of-ownership conditions to ensure eligible people legitimately own their vehicle.

Exploring how to manage this gaming risk warrants further work.

4.2.4 Mitigation for eligibility criteria that doesn't include vehicle ownership

Some eligibility tests do not require vehicle ownership, but may still justify mitigation. Two examples of this are:

- the holders of Mobility Parking Permits (see section 3.2.2) that do not own their own vehicle, but are transported in a vehicle (potentially more than one different vehicle) – receiving assistance from different people or from private companies, and
- holders of SGCs and people with disabilities who rely on others, often family members, to transport them.

For these people, mitigation cannot be easily be targeted with a price subsidy, because they do not own a vehicle to give 'eligibility status' to. To target these people, the options are restricted to:

- relying on an income subsidy, as discussed in section 4.1.2
- letting the individual nominate the vehicle(s) of those who regularly transport them for a price subsidy. This would come with high risk of gaming, but is used in other schemes, such as the London and Stockholm congestion schemes.
- letting the individual, family or caregivers absorb the cost.

5 Options analysis

Table 1 summarises the key options for eligibility criteria under the mitigations policy against objective 1 set out in in section 2.1.

Table 2 assesses the options for mitigation delivery mechanisms across the objectives 2 to 5.

TABLE 1: SUMMARY OF ELIGIBILITY CRITERIA OPTIONS ASSESSED AGAINST MITIGATION SCHEME OBJECTIVE 1 AND 2

Eligibility category		**Disability and mobility access**			**Income / socioeconomic**		
Existing eligibly criteria		**Certified modified vehicles**	**Mobility parking permits**	**Total Mobility Scheme**	**Community services card (CSC).**	**Super Gold Card**	**Welfare system eligibility** (accommodation supplement, jobseeker support, working for families, rates rebates)
Objective 1. **Identify the group of road-users for which mitigation is necessary**	**Eligible group requirement for mitigation**	Higher requirement for mitigation based on higher car-dependence and lack of alternative means of transport. No income criteria included in any of these tests.			Best available test of low income status, includes income from welfare payments.	Income test is better performed by Community Services Card, leaving only age as the unique identifier.	Unlikely to be any additional eligibility criteria that identifies additional higher car-dependency or lower income over the CSC.
		Vehicles modified to fit wheelchair lifts or other hoists or have purpose-built hand controls.	Includes short term and long-term eligibility tiers.	Focuses on inability to use PT unaccompanied in a safe and dignified manner.			
Objective 2. **Deliver the appropriate level of mitigation through a targeted mechanism**	**Where the eligibility test occurs**	**Vehicle**	**Person**	**Person**	**Person** (for dependants, potentially also parent/caregiver)	**Person**	**Person**
	Suitable for a price or income subsidy mechanism? **Depends on beneficiary's use/ownership of vehicle.**	**Unclear** Unclear if vehicles are usually user-owned or used for many clients.	**Income subsidy.** Parking permits can be used in any cars, so eligible person can't be easily targeted by a price subsidy, as their own car is not necessarily used.	**Income subsidy.** Total Mobility Scheme offers income subsidies for a range of transport types so eligible person can't be easily targeted by a price subsidy, as their own car is not necessarily used.	**Both**	**Both**	**Both**
Recommendation		Recommended eligibility criteria		Recommended eligibility criteria	Recommended eligibility criteria		Could warrant further investigation.

TABLE 2: ANALYSIS OF DIFFERENT MECHANISMS TO DELIVER MITIGATION, ASSESSED AGAINST MITIGATION SCHEME OBJECTIVES 2-5

Category		**Price subsidies**					**Income subsidies**		
Mechanism		**Exemption**	**Rebate**	**Discount**	**Account credits** **(non-withdrawable)**	**Cap (daily $ or number of trips)**	**Account subsidy (withdrawable)**	**Car 'rego' discount**	**Welfare payments adjustment (in Auckland Region)**
Description		The eligible car is fully exempt from a charge in the congestion scheme.	The owner of the eligible car can apply for rebates to be compensated for charges already/recently incurred in the scheme.	The eligible owners account receives a discounted charge for when their car is used in the scheme. For example, a discount of 50%.	All eligible owners accounts are credited and the credit can be used to pay for charges incurred by their car in the scheme. Requires car ownership and scheme account.	The charge for the eligible car incurs a maximum 'cap' based on: a daily $ limit or a maximum number of trips per day.	All eligible owners' accounts are credited a set amount and funds are available for the owner to withdraw. Requires car ownership and scheme account.	Eligible owners are given a discount to their annual car registration cost (mostly made up of the ACC charge). Requires car ownership.	Welfare payments could be increased for people in the Auckland region, such as: • Accommodation supplement • Jobseeker support • Working for families • Rates rebates • Total Mobility Scheme There is the option to require car-ownership as an additional requirement for eligibility.
<u>Objective 2</u> **Deliver the appropriate level of mitigation through a targeted mechanism**	**Price vs income subsidy considerations**	Price subsidies are more targeted to how much a person uses the congested roads in the scheme – the more you use the scheme, the more cumulative subsidy you receive (up to any applicable maximum limit). For a low-income household that relies heavily on car travel at congested times and that cannot adapt their behaviour to avoid the congestion charge, a price subsidy will more accurately compensate their higher level of financial burden from the scheme.					Income subsidies are less targeted to how much a person uses the congested roads of the scheme. This will lead to more 'uneven' outcomes across the people who require compensation. • some people who are not scheme-users may be eligible and receive the subsidy without actually using the scheme (eg, car owners who never drive within the scheme), and • low income households who use the scheme a lot, may not be adequately compensated for their higher cost through an income subsidy that does not 'scale' with the amount of road-usage like a price subsidy does. Income subsidies may lead to better outcomes for low income people who can decide what to best spend the additional money on outside of the congestion charge, including PT, active modes, or other household expenses. However, this represents a departure from transport-oriented policy into social welfare policy.		
	Specific considerations	The best way to ensure that no eligible people are worse off from the scheme.		The most 'scalable' method to target mitigation to the use to the scheme.	Credits could potentially be transferable to PT card (however this	Offers a maximum cost for the most active users of the scheme.		Mitigation is limited to the cost of the rego and other charges – may not be enough.	Does not depend on car ownership. Dependant people who should be eligible but do not own a car and

Category		Price subsidies					Income subsidies		
Mechanism		Exemption	Rebate	Discount	Account credits (non-withdrawable)	Cap (daily $ or number of trips)	Account subsidy (withdrawable)	Car 'rego' discount	Welfare payments adjustment (in Auckland Region)
					favours people with PT options)				receive car rides from others, will be compensated for the charge.
Objective 3 **Avoid undermining the demand management objectives of scheme**	**Retain incentive on eligible users to reduce congestion behaviour**	**No incentive.**	**Small incentive** – wanting to avoid the administrative cost of processing rebate.	Large incentive For every trip. Depending on the level of the discount or credit.	Medium incentive Less incentive if credit is too high for a given user	**Medium incentive** – Incentive limited until cap is reached.	**Full incentive** – full congestion charge paid for each marginal trip in the congestion scheme (not withstanding any scheme-wide caps).		
	Risk of gaming	**High risk,** across all price subsidy options - eligible cars being used by non-eligible drivers.					**High risk,** of change of ownership gaming: as income gains are potentially high. People may try to change ownership of cars to qualifying people in order to receive income subsidy.		**Low risk.** If car ownership is not an eligibility condition – no incentive to change ownership of car. Because Auckland location will be an eligibility criteria, emphasis on ensuring addresses are monitored for welfare eligibility.
		High risk, of change of ownership gaming: the potential savings are high. Car owners may try to change registered ownership of their car to someone who has a CSC so that their car qualifies for the subsidy.		**Medium risk**, of change of ownership gaming: as potential savings are moderate. Car owners may try to change registered ownership of their car to so that their car qualifies for the subsidy.					
		Change of ownership gaming could be mitigated by tightening/monitoring change-of-ownership conditions, and/or limiting to one eligible car per eligible owner account.							
Objective 4 **Administrative efficiency and implementation considerations**		**Medium efficiency.** A register of eligible cars/owners is maintained.	**Low efficiency.** Rebate systems require administrative systems and opex, eg the regional fuel tax rebate system.	**Medium efficiency.** A register of eligible cars/owners is maintained. Scheme administrative system for collecting unpaid charges will need to integrate the discount/credit system.			**Medium efficiency.** A register of eligible people is maintained.	**Low efficiency.** The congestion scheme would need to settle payments with ACC, NZTA, and the congestion scheme.	**Medium efficiency.** Welfare payments increased for residents of Auckland. Funding could be provided from congestion scheme.

6 Discussion

- The simplest mitigation options will be those that use the revenue from the scheme to benefit those areas subject to the charge, such as from improved public transport or other improvements to local transport infrastructure. This is the subject of a separate workstream.
- The implementation of the scheme over time can also help to mitigate financial impacts on low income households by being deployed in areas with better access to transport alternatives like public transport and high quality walking and cycling connections (noting that these may not be in the most congested areas).

6.1 Eligibility criteria for mitigations policy

- As with many social welfare policies, due to data availability and privacy concerns, there are limitations to perfectly identifying people who should be eligible for the mitigation policy. It is important to accept that a lack of available detailed evidence is not evidence in itself that a mitigations policy is not necessary. The mitigations policy may be justifiable on a first-principle basis in the face of this uncertain quantification.
- Eligibility criteria that use existing systems, such as the Community Services Card, will be more cost effective, simple and easy to understand than those that require a new regime to be established.
- The Community Services Card represents the best existing eligibility criteria to capture people with low income who may face an unreasonable financial burden from the scheme, especially where those people are restricted from changing their behaviour to adapt to scheme.
- Disability and mobility access is not in itself a proxy for financial hardship, however it may reflect a group that often has more car-dependency and less access to alternative transport options. The eligibility criteria described for the existing Total Mobility Scheme and modified vehicles certified by the Low Volume Vehicle Technical Association appear to be best designed to test practical access to transport alternatives. Further engagement with these groups at a later stage would be beneficial in this regard.

6.2 Mitigation delivery mechanism

- Because most of the proposed eligibility criteria require vehicle ownership, there are risks that the mitigations policy and scheme's effectiveness would be undermined by people attempting to change vehicle ownership to benefit from the mitigations policy. This arises as the current costs of transferring vehicle ownership are negligible ($10) compared to the ongoing charges associated with the scheme. A solution to this problem such as limiting the number of vehicles an eligible person can register against the scheme needs to be considered before proceeding with a mitigations policy.

- There are significant trade-offs between mitigation delivery mechanisms, including: targeting mitigation towards those for whom there is a genuine hardship from the scheme, administrative simplicity/cost and the risk of gaming or perverse incentives.
- Price subsidies offer mitigation that is more targeted to how much eligible people use the scheme – scaling with high use and low use.
- For discounts, account credits and caps, an incentive is also retained for eligible participants to consider their travel behaviour and contribute to reducing congestion. However, because a price subsidy is attached to an 'eligible car', there is capacity for any person to use the car and receive the discount – this may somewhat undermine the demand management objectives of the scheme.
- Income subsidies are less targeted to how much an eligible person uses the scheme – likely a 'flat' grant for all eligible people potentially leading to more unequitable outcomes due to differences in usage, and potential issues with how to target the subsidies to Auckland residents alone. However, income subsidies do not suffer the same gaming risk as price subsidies, where non-eligible drivers can avoid the full costs of the scheme by driving an 'eligible vehicle'.
- On balance, a price subsidy is likely to be more effective. This is especially true if the eligibility criteria is sufficiently small – say, the subset of the 10% of Auckland population who have Community Services Cards and own a vehicle – which limits the potential impact of non-eligible people using eligible vehicles.
- The kind of price subsidy should be some combination of a discount or a credit to the user's scheme account. For a credit, additional work should be done to consider if credit can be transferable to public transport cards (AT Hop card).
- A cap (daily $/trip maximum) could also be considered, although any cap that applies outside the mitigations policy, to all scheme users, is likely to be sufficient for the purposes of the mitigations policy, and no separate cap for the eligible person is likely desirable.

7 Recommendations

For mitigation of socio-economic impacts, we recommend, using the Community Services Card for the delivery mechanism for eligibility criteria, using:

- discounts linked to the eligible person's registered vehicle, and/or
- account credits linked to the eligible person's scheme account.

For mitigation for disability and mobility users, if mitigation is found to be necessary, we recommend:

- exempting modified vehicles certified by the Low Volume Vehicle Technical Association from the congestion charge

- increasing the maximum subsidy for the existing Total Mobility Scheme in Auckland to offset any increases experienced by eligible users.

For managing the risk of 'eligibility gaming', we recommend further work to consider:

- investigating how tightening change of ownership provisions and monitoring any changes in behaviour of ownership could be used to reduce risk
- limiting eligibility to one eligible vehicle per eligible owner.

Additional consideration should be given to:

- whether any bespoke or retrospective mitigation should be provided to eligible people that don't have vehicles themselves, but rely on family and caregivers to transport them in vehicles
- checking whether changes to other welfare payments across Government could be considered as eligibility criteria, or delivery mechanisms, for use by the mitigations policy.

Annex 1- International examples of discounts and exemptions

1.1 London Cordon Charge

https://tfl.gov.uk/modes/driving/congestion-charge/discounts-and-exemptions

Discounts

Resident's discount:

- To qualify for the residents' discount you must live within the Congestion Charge residents' discount zone and:
    - Your name is shown on either the Parliamentary or local government electoral register
    - Your main or permanent home is in the Congestion Charging zone
    - The property is used for residential purposes
    - You are at least 17 years old

Exemptions

Vehicle type and use exemptions

You don't have to pay the Congestion Charge if the vehicle is recorded on the Government vehicle registration databases in one of these categories:

- Two-wheeled motorbikes (and sidecars) and mopeds
- Emergency service vehicles, such as ambulances and fire engines, which have a taxation class of 'ambulance' or 'fire engine' on the date of travel
- NHS vehicles that are exempt from vehicle tax
- Vehicles used by disabled people that are exempt from vehicle tax and have a 'disabled' taxation class
- Vehicles for more than one disabled person (for example Dial-a-Ride) that are exempt from vehicle tax and have a 'disabled' taxation class

Taxi and private hire vehicles (PHVs)

Taxis are exempt from paying the Congestion Charge when actively licensed with London Taxi and Private Hire (TPH).

From 8 April 2019, private hire vehicles (PHVs) will no longer be exempt from the Congestion Charge.

However, PHVs designated as wheelchair-accessible vehicles will retain an exemption to the Congestion Charge as long as they are fulfilling a private hire booking.

Other exemptions

Certain vehicles, including buses, registered in European Economic Area member states, must also be registered with us to qualify for an exemption.

Other categories of exemption include:

- HM Coastguard and Port Authorities
- Certain operational vehicles used by the London boroughs
- The armed forces
- Royal Parks Agency
- Breakdown organizations

1.2 Stockholm

https://web.archive.org/web/20110905052246/http://www.transportstyrelsen.se/en/road/Congestion-tax/Congestion-tax-in-stockholm/Exemptions/

Exemptions

Green cars - new rules (1 January 2009)

On 26 November, the Riksdag (Swedish Parliament) made a decision to amend the rules regarding congestion tax for green cars. This decision means that the exemption for green cars included in the Congestion Tax Act (2004:629) shall cease to apply on an earlier date: on 1 January 2009 instead of 1 August 2012.

This exemption will continue to apply up until 1 August 2012 for vehicles that were exempt from tax obligations prior to 1 January 2009 and that prior to this were also entered in the Swedish Road Traffic Registry. For this reason, existing green cars are not affected by this amendment.

The following vehicles are automatically exempt from congestion tax:

- emergency vehicles
- buses having a total weight of at least 14 tonnes
- diplomat-registered vehicles
- motorbikes
- foreign-registered vehicles
- military vehicles
- vehicles that according to details contained in the Swedish Road Traffic Registry of the Swedish Transport Agency are equipped with technology for being run:*
  a) completely or partly on electricity or a gas other than liquefied petroleum gas (LPG), or
  b) on a fuel blend that predominantly comprises alcohol.

*This exemption applies up to and including July 2012 for vehicles that were entered in the Swedish Road Traffic Registry prior to 1 January 2009. Vehicles entered after this date are not exempt from congestion tax.

A release from congestion tax applied in relation to the following fuels currently entered in the Swedish Road Traffic Registry (the exemption ended in July 2012 for vehicles registered prior to 1 January 2009):

- bio gas
- E85
- ethanol

- electricity
- producer gas
- methane
- methanol
- natural gas
- hydrogen.

If any of the above-mentioned fuels are recorded on the vehicle's registration certificate prior to 1 January 2009 (under the headings 'Fuels' or 'Alternative Fuels'), the vehicle is automatically exempt from congestion tax and the owner of the vehicle does not have to do anything. Use our service Search for information about vehicles (in Swedish only) to see which fuel(s) are registered for a particular vehicle.

Application for release for those who have a Disability Parking Permit

If you have a Disability Parking Permit, you may apply to the Swedish Tax Agency to exempt a vehicle from the tax obligation. (The Swedish Tax Agency may exempt two vehicles from the tax obligation if there are exceptional grounds.) The application form is available from the link below:
Application for release from congestion tax (in Swedish only)

Please note that exemptions from tax obligations apply for as long as the parking permit is valid. This exemption may still apply if your vehicle was exempt from tax obligations during the congestion tax trial. For this reason, check the period during which your decision from the Swedish Tax Agency is valid (Congestion tax - release from tax obligations) before submitting a new application. You will probably have to reapply if you have replaced your vehicle since the end of the congestion tax trial.

The 'Lidingö rule'

No congestion tax is charged for vehicles that pass two different control points within 30 minutes, one of which must be a control point at Gasverksvägen, Lidingövägen or Norra Hamnvägen.

Annex 2 - Community services card eligibility criteria

You may get the Community Services Card if you:[14]

- are 16 or over
- are not a dependent child
- either:
  - are a New Zealand citizen
  - are a permanent resident, or
  - have, or have applied for, refugee or protection status
- normally live in New Zealand and intend to stay here.

You may also be able to get it if you either:

- are 16 or 17 and studying full-time at a University or polytechnic, or
- get paid from Veteran's Affairs either a:
  - Scheme 1 Weekly Income Compensation, or
  - Scheme 2 Weekly Compensation.

It also depends on how much income you and your partner get. By income, we mean any money, goods and services you or your partner get from any source, such as:

- wages
- salary
- New Zealand Superannuation
- Student Allowance
- interest or dividends from investments
- income from a business or a family trust maintenance payments from child support
- Working for Families Tax Credits from Inland Revenue
- ACC payments
- private pensions
- income from rents
- any regular benefits you get, like free board, meals or transport.

Income criteria:

You may be able to get a card if you're...	**And your yearly income (before tax) is less than...**
Single - living with others	$27,139
Single - living alone	$28,801
Married, civil union or de facto couple - no children	$43,068
NZ Superannuation single, sharing accommodation	$28,174

[14] https://www.workandincome.govt.nz/products/a-z-benefits/community-services-card.html

You may be able to get a card if you're...	And your yearly income (before tax) is less than...
NZ Superannuation single, living alone	$29,943
NZ Superannuation married, civil union or de facto relationship - no children	$44,877
Family of 2	$52,605
Family of 3	$64,752
Family of 4	$74,703
Family of 5	$84,478
Family of 6	$95,236
For families of more than 6, the limit goes up another $9,651 for each extra person	

Get a private pension:

- if you also get New Zealand Superannuation, only half of your private pension may count as income
- if you don't get New Zealand Superannuation, the whole amount of your private pension will be counted as income.