

CHAPTER 3

STATE/LOCAL GOVERNMENT CONCESSIONS

‘There is an ongoing commitment to concessions...’¹

How State and Local Governments operate their concessions

3.1 As outlined earlier, State/Territory governments use Commonwealth concession cards, excluding the Commonwealth Seniors Health Card, to determine eligibility for their own State/Territory specific concessions. This not only saves administration costs but enables easy establishment of eligibility criteria. The arrangement seems to be in the best interest of concession card holders, as they can access many concessions at Commonwealth and State/Territory level, using one card. However, because each State/Territory has developed its own concession entitlements over time and without national consultation, this has resulted in confusion for both individuals and service providers and differing levels of concession provision across the country.

Core concessions

3.2 Commonwealth core concessions, outlined in Chapter 2, relate mainly to health care costs and transport concessions. There are also core concessions available in all States/Territories. The 1993 Premiers’ Conference included an agreement on the core concessions to be provided by all States/Territories. These included:

- energy consumption concessions;
- water and sewerage concessions;
- municipal rates concessions; and
- transport concessions (including public transport and motor vehicle and licence registration).

3.3 These State/Territory core concessions are not uniform, as States/Territories offer different rates of rebate and different methods of payment. Concessions can operate as a waiver on fees, as a rebate or a voucher, or as a proportional or flat rate discount with differing amounts. This results in the current situation where a concession card holder in one State/Territory may

¹ Victorian Government, Transcript of Evidence, pg FCA 353.

receive more benefits or different concessions to another card holder in another State/Territory. The Commonwealth Government expressed in 1993 the hope that:

...while there is no obligation, States significantly below the present average levels of concessions would approach these levels over time.²

3.4 However, there remain varying levels of core concession provision throughout Australia. This issue is discussed further in this Chapter and in Chapter 4. The range and monetary value of concessions available in all States/Territories is outlined in Appendix A.

State/Commonwealth negotiations on concessions

1993 Premiers' Conference agreement on costs of concessions

3.5 Following the Commonwealth Government's decision in 1992 to extend eligibility for the Pensioner Concession Card (PCC) to all part pensioners from April 1993, States/Territories argued that they did not have the resources to meet the new PCC holders' claims to State/Territory concessions. Interim compensation was provided by the Commonwealth to the States/Territories, for a period of three months.

3.6 At the July 1993 Premiers' Conference, the Commonwealth agreed to continue to compensate States/Territories for the extra costs that the PCC extension would incur. The compensation amounted to \$121.83 million per year, indexed for growth according to the number of concession card holders and the Consumer Price Index (CPI). The allocation included a local government component, to meet costs such as lost revenue through land tax. It was agreed that the yearly compensation be split amongst States/Territories according to numbers of concession card holders. The funding agreed to in 1993 was as follows:

2 Letter dated 15 July 1993 from the Hon Paul Keating, MP to the Hon John Fahey, MP supplied by Department of Social Security, 21 May 1997.

Table 3.1 Annual Commonwealth funding of State-based concessions (agreed in 1993)

<i>State</i>	<i>Commonwealth funding for concessions</i>
<i>NSW</i>	\$42.37 m
<i>VIC</i>	\$30.29 m
<i>QLD</i>	\$23.04 m
<i>WA</i>	\$10.65 m
<i>SA</i>	\$12.05 m
<i>TAS</i>	\$3.87 m
<i>ACT</i>	\$0.86 m
<i>NT</i>	\$0.59 m

Source: 1993 Premiers Conference Agreement

3.7 The National Commission of Audit's *Report to the Commonwealth Government* (June 1996) indicated Commonwealth compensation to the States/Territories was \$131.2 million in 1995-96.

Commonwealth/State working groups

3.8 A national committee of administrators has been investigating the concession card system for some time. The Standing Committee of Community Services and Income Security Administrators (SCCSISA) comprises officials from all Commonwealth and State/Territory departments administering income support and community services, and reports to the Community Services Ministerial Council (formerly the Council of Social Welfare Ministers). SCCSISA has monitored concessions since the 1993 extension of the Pensioner Concession Card to all pensioners and in 1995, a working party produced the paper *A Policy Context for the Delivery of Concessions for Australia*. This paper recommended that SCCSISA develop a national framework for concessions. This was outlined in a more recent paper, *Proposed National Framework for Concessions for Low Income Australians*, presented to SCCSISA's February 1997 meeting and currently being assessed by members for further discussion. This is discussed further in Chapter 6.

3.9 The Committee commends the work of SCCSISA and acknowledges that there has been much discussion between the Commonwealth and the States/Territories regarding concessions. There seems to be consensus among Commonwealth and State/Territory administrators that the current system needs

reform, that some parts of the system are inequitable and that it is administratively cumbersome. However, there has been no change in practice and discussions are moving at an extremely slow pace, evidenced by the two years since investigations first began and the lack of agreement or action on reform of the concession system.

3.10 Another Committee was formed in 1992, to examine disability transport issues. The National Accessible Transport Committee (NATC) comprised members of disability groups, industry and the Commonwealth and aimed to improve transport accessibility for people with mobility difficulties. The Committee reported directly to the Minister for Transport. The NATC was disbanded in 1995 and superseded by the Standards Taskforce and the Financial Taskforce of the Australian Transport Council.

3.11 The Committee is disappointed that two official committees, the SCCSISA and the former NATC, which both comprised experts in the fields most affecting concession card holders, were unable to achieve tangible reform of the concession system.

State Seniors Cards

3.12 In recent years, all State/Territory governments have introduced State Seniors Cards. Generally, the cards are available to retirees and pensioners aged over 60 and are only valid for use in the owner's home State/Territory. Similar to Commonwealth concession cards, the State Seniors Cards developed in an ad hoc fashion, resulting in different entitlements across the country. This is one of the major sticking points preventing governments from agreeing to provide reciprocal concessions to Seniors Card holders. State/Territory determinations for the cards are set out in Table 3.2.

3.13 Seniors Card holders' arguments for transport reciprocity across Australia are discussed in Chapter 7.

State/Territory Government fraud control mechanisms

3.14 The Commonwealth Department of Social Security runs a Client Confirmation Service which conducts data matching for State/Territory governments regarding eligibility for State/Territory based concessions. The State/Territory organisations send computer tapes containing concession card holders' details to DSS to be matched against current customer records. DSS then advises the State/Territory organisations about anomalies in their records. The records are amended to avoid further misuse of concession claims.

3.15 This form of fraud control for concessions is most useful to States/Territories where the discount is automatically given on bills such as electricity, water and rates. Public transport concessions, accessible by displaying a card and any commercially-offered discounts such as cinema tickets, are more difficult to protect from fraud. Education for service providers, to enable them to correctly identify eligible card holders, is each State/Territory's responsibility.

Table 3.2 State Seniors Cards - Eligibility and Benefits

State	Eligibility	Card benefits
NSW	All residents aged 60 yrs and over who work less than 20 hours pw	Discount bus travel Discount train travel
VIC	All residents aged 60 yrs and over who work less than 20 hours pw	Discount bus, tram and train travel
QLD	Residents aged 60-64 who are receiving DSS or DVA income support payments; and All residents aged 65 and over not in full-time employment; and All Commonwealth Seniors Health Card holders	Discount on electricity charges Discount train and bus travel Discount motor vehicle registration Discount on boat registration
WA	All residents aged 60 yrs and over who work less than 20 hours pw	Electricity, water, sewerage and drainage discounts Discount spectacles, drivers licence, public transport Discount recreation activities
ACT	All residents aged 60 yrs and over who work less than 20 hours pw	Discounts on off-peak public transport, recreation activities
NT	Any resident (no age barriers) receiving DSS or DVA pension payment; and All residents aged over 60 (women) or 65 (men); and War widow/ers; aged War Service Veterans	Rebate on water, electricity, sewerage and garbage charges Discount council rates
SA	All residents aged 60 yrs and over who work less than 20 hours pw	Private retail and commercial discounts only.
TAS	All permanent residents aged over 60 who are not in full-time employment.	Discount metro public transport Free driver's licence 20% concession on recreation costs - eg fishing licence, nat parks

Source: State Seniors Card Bureaus