

## Appendix 12

### Other government concessions and allowances for pensioners and self-funded retirees

#### Introduction

1.1 This appendix summarises other government concessions for pensioners and self-funded retirees other than the age pension. It is based on Attachment C of the submission of FACS to the inquiry.<sup>1</sup>

#### Rent assistance

1.2 Rent assistance is a supplementary benefit paid to age pensioners who pay private rent. Private rent includes caravan park site fees, mooring fees and some retirement village fees. People paying rent to a state or territory government housing authority for the rental of government housing or residing in Commonwealth funded aged care are not eligible for rent assistance.

1.3 Before rent assistance becomes payable, a minimum amount of rent (rent threshold) must be paid. Rent assistance is then paid at 75 cents for every dollar of rent paid above the rent threshold, up to a maximum rate.

1.4 Rent thresholds and maximum payment rates (without dependent children) as at 20 March 2002 were:

	Single (\$ a fortnight)	Partnered combined (\$ a fortnight)	couple
Rent threshold before rent assistance is paid	80.40	131.00	
Minimum rent to get maximum payment	201.20	244.87	
Maximum rent assistance	90.60	85.40	

#### Pensioner Concession Card (PCC)

1.5 The PCC is issued to persons receiving a pension including age pension, Disability Support Pension and Parenting Payment (Single), Mature Age Allowance, Mature Age Partner Allowance and Bereavement Allowance. The PCC is also issued to people over 60 who have been getting the Newstart Allowance, Sickness

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1 *Submission 79, FACS, Attachment C.*

Allowance, Widow Allowance, Partner Allowance, Parenting Payment (Partnered) or a Special Benefit continuously for the previous nine months.

## **Commonwealth Seniors Health Card (CSHC)**

1.6 The CSHC is targeted at self-funded retirees of age pension age (currently 62 years for women, and 65 years for men) who meet certain eligibility criteria, that is:

- the person is not receiving another income support payment from Centrelink or the Department of Veterans' Affairs;
- the person meets an income test of under \$50,000 a year (single person) or \$80,000 a year (couple, combined income); and
- they are an Australian resident.

1.7 The Government announced in 2001 that the Commonwealth would negotiate with State and Territory governments to extend some or all of the concessions currently available to pensioners to holders of the CSHC.

1.8 As a result of ongoing negotiations, the Commonwealth recently offered the States and Territories around \$65 million per annum in total to assist with the cost of extending core pensioner concessions to CSHC holders. When negotiations are finalised, eligible CSHC holders will be able to receive concessions on essential services, including council, water and sewerage rates, electricity, and motor vehicle registration.

## **Rail concessions**

1.9 PCC holders are entitled to at least one free rail journey within their State/Territory of residence (except for Tasmania/Northern Territory) on rail services provided by State/Territory Governments.

1.10 The Commonwealth funds Great Southern Rail (GSR) to provide concessions to PCC holders and CSHC holders on GSR services that were formerly Commonwealth owned. These services are the Indian Pacific, the Ghan, and the Overland. These concessions can range between \$25-\$500 per journey.

## **Hearing concessions**

1.11 Certain PCC holders will also be able to receive hearing services. This includes free hearing assessment and hearing rehabilitation, supply and fitting of hearing aids, and other hearing aid concessions.

## **Pharmaceutical allowance**

1.12 Pharmaceutical Allowance is paid to help PCC holders and some allowees with the cost of certain prescriptions listed under the PBS. Pharmaceutical Allowance forms part of the rate payable to all pensioners, sickness allowance recipients, certain allowance recipients with temporary incapacity exemption from activity testing

requirements, and long term allowees, who are over 60 years of age, and have been receiving income support for at least 9 months.

1.13 Concession cardholders currently pay only \$3.60 for medicines listed on the PBS, excluding any premium for higher cost alternatives. After spending \$187.20 (52 scripts) on prescription medicines in a calendar year, cardholders are entitled to free PBS prescription medicines for the rest of that calendar year.

## **State and Territory concessions**

1.14 The Commonwealth has in place arrangements with the states to ensure that all pensioners receive certain ‘core’ concessions (council and water and sewerage charges, electricity, motor vehicle registration and public transport). This is done through an annual Specific Purpose Payment to all State and Territory Governments that ensures that all holders of the Pensioner Concession Card receive these concessions without discrimination.

1.15 The agreement does not specify the level of concession that must be offered, as State and Territory governments determine these matters.

1.16 The benefits obtained from concessions differ significantly between States and Territories- eg. the annual average value of motor vehicle registration concessions in Tasmania is \$33; in ACT it can be over \$200.

1.17 The value of a concession card to any individual is determined by their circumstances. For example, they may not be eligible for rates concessions if they do not own their home; they would be ineligible for vehicle registration concessions if they don’t own a car, which may in turn impact on their accessing of public transport concessions.

1.18 In addition a wide variety of secondary concessions are available to PCC holders including dog registration, dental concessions, various education allowances or concessions, ambulance services, certain eye care programs and spectacles. The value of these will vary between state and local jurisdictions. In addition companies such as Telstra and Australia Post may offer concessions or rebates to cardholders.

1.19 FACS estimates that the overall annual value of concessions through the card is between \$300 and \$1,000 a year (depending on state of residence and the person’s circumstances).

## **Telephone allowance**

1.20 Telephone Allowance (TAL) is a quarterly payment to assist with the rental of a domestic telephone or mobile phone line. To be eligible for TAL, a person must have a phone connection in their name or their partner’s name, and be receiving either an eligible pension or allowance payment through Centrelink or the Department of Veterans’ Affairs, or the Commonwealth Seniors Health Card.

1.21 The amount of TAL payable is dependent upon the person's circumstances. Both an eligible single person and an eligible couple receive the full amount of TAL (\$18.00 per quarter), as the costs to rent a telephone line are the same for one person or a couple. Where only one member of the couple is receiving an eligible benefit, the allowance is paid at the half-married rate of \$9.00 per quarter.

### **State Government seniors cards**

1.22 These cards are issued by each state to their residents who are (generally) aged over 60 and no longer working full time. Eligibility varies slightly from state to state, and the benefits available are generally offered by the private sector, and may include travel, dining and entertainment, and financial products. Some states governments also target a limited range of concessions at holders of State Government Seniors Cards. The Commonwealth has no influence over these concessions.