

You can! help create a better State

SACOSS Fact Sheet No. 2: Concessions

In the lead-up to the 2010 South Australian state election, political parties, independent candidates and interest groups are all constructing their policy platforms in an attempt to entice you: the voter. SACOSS asks that you use your position of power to Help Create a Better State – find out the facts, read beyond the headlines, and make people the foundation of policy in South Australia.

Concessions are a fact of life in South Australia – they range from cheaper public transport for senior citizens, to discounted utility bills for families, to one-off payments for first home buyers. Concessions form an important part of the Australian welfare system, and governments can use them as a way of attaining social, economic or environmental goals, or as a political tool for garnering the support of key groups. However, the concessions system in SA is outdated and unsustainable, with many concessions available on an inequitable basis and maintained at unrealistic rates.

The Current State...

1. National concessions — In 2005-06, national expenditure on concessions totaled \$27.5 billion including tax concessions, much of which goes to those on middle or higher incomes.

2. SA spends \$89m on concessions — South Australian expenditure on 'core' concessions alone (energy, public transport, water and sewerage, council rates and vehicle registration) in 2005-06 was \$89 million. \$27 million of this was for energy concessions.

3. The government provides the main source of income for 31.2% of South Australians — In 2005-06, 31.2% of South Australians were reliant on federal government payments as their main source of income – suggesting heavy reliance on additional assistance through the state concessions system.

4. Higher prices, but no changes to energy concession — Since 2004, annual electricity bills for low usage have risen 1.6%, for gas 22.2%. The energy concession (in the form of a discount from energy bills) has not changed from \$120.

5. Same situation, different concessions — A single employed person earning over \$892 per fortnight is not eligible for an energy concession, while a single self-funded retiree earning up to \$1,920 is eligible.

...A Better State

1. The aim of concessions — *The exact aim of every concession in SA must be considered and clearly defined.* For example, if the aim is to make goods and services more affordable to those in need, a concession should ensure those goods and services are more affordable in practice.

2. Equity — *Both horizontal and vertical equity in SA need to be assured.* Horizontal equity means that people in similar economic circumstances should receive the same benefits, and vertical equity means people on higher incomes should not be eligible for concessions they do not require. Concessions should ensure equity is maintained while those with limited access to goods or services receive the added assistance they require.

3. Access to services – *The benefits of concessions must be available to all eligible South Australians, regardless of their geographical area. For example, there is no value in having a public transport concession card if you live in a location that lacks public transport. The government must also ensure proactive advertising and publicity to ensure that those who are able to receive concessions are aware of their eligibility.*

4. Affordability — *Concessions need to make essential goods and services genuinely affordable. For example, rising energy costs should be reflected in the concession available.*

5. Flexibility and governmental review — *Flexibility must be built into concessions in order to keep pace with changing economic and social practices, as well as prices. A robust and continuous government review process for concessions should be put in place to ensure that concessions remain relevant in changing economic and social circumstances.*

You can! Help create a better state

- Get up to speed – read the SACOSS Concessions Principles Paper.
- Ask your local MP about concessions, and tell them what you think.
- Ask your local candidates what their election policies will include, and tell them what you think.
- Read about the positions of a range of interest groups, and contact them for further information.

REMEMBER that political parties and candidates respond to public opinion – it is our strongest weapon to ensure progressive and equitable policies!

Other Groups to Contact

COTA-Seniors' Voice
www.seniorsvoice.org.au/asp/home.aspx
(08) 8232 0422

Disability Alliance
www.lifesforliving.com.au/
(08) 8277 3300

Aids Council of SA
www.acsa.org.au/
(08) 8334 1611

Carers SA
www.carers-sa.asn.au/
(08) 8291 5600