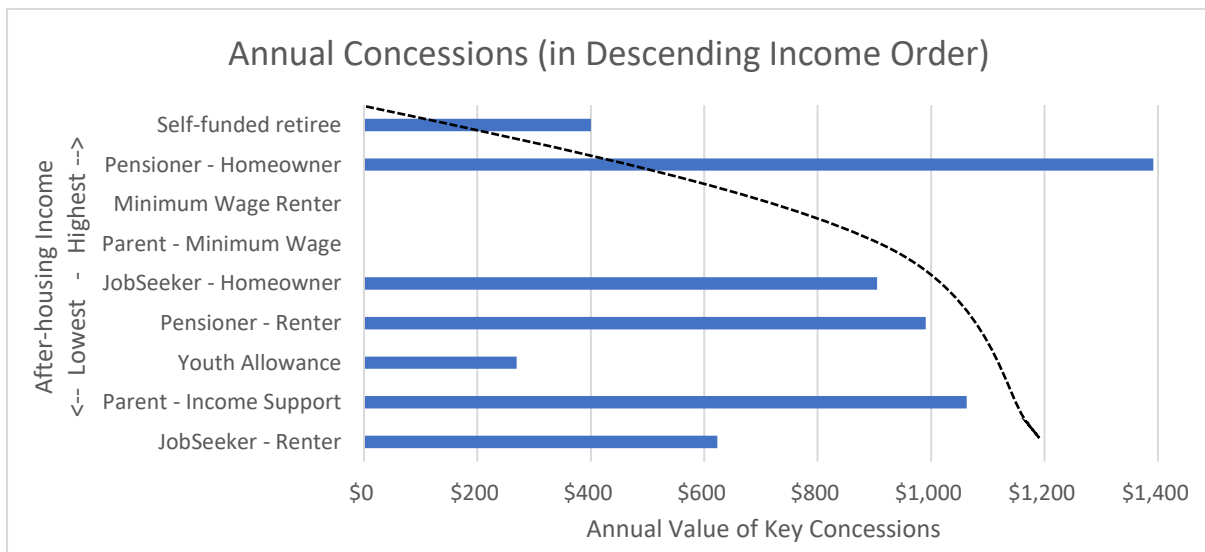


Concessions Reform 2023

The South Australian government provides a range of concessions (i.e. discounts, subsidies, rebates or exemption from fees) to assist low-income households deal with cost of living pressures. These concessions are important financial supports for those struggling with prices increases and lack of affordability of basic goods and services.

Yet SACOSS' major *State of Concessions* report found that the system is poorly targeted and inefficient: a patchwork of different payments with varying and sometimes arbitrary criteria that create unfairness and barriers to access. When people who need support most are eligible for fewer or lower concessions than those who are better off, the system is broken.

The graph below shows the sum of key energy, water, transport, ESL and Cost of Living concessions for different example recipients. The examples are in descending order of equivalised after-housing income, so the graph *should* have a downward sloping shape with bigger concessions for lower incomes. The dotted line represents an idealised shaped distribution: the gap between the line and the bars shows the extent of the problem.



Source: see table on next page.

We need an urgent, complete review of the concessions system to ensure that people who require support are able to access concessions and that that support goes to where it is needed most. SACOSS has called for:

- All concessions available to Seniors and Age Pensioners to be made available to other Centrelink recipients receiving lower payments;
- A generic low-income eligibility criteria which is not based on receipt of Centrelink payments to be made available for all concessions; and
- A range of specific reforms to address problems in individual concessions.

To access the SACOSS *State of Concessions* report (2021) and for more information on SACOSS proposals, go to <https://www.sacoss.org.au/concessions>

The following table is the data behind the graph on the previous page, plus information on other concessions which could not be included in the graph (although they follow the same pattern). The table shows a lack of any consistent relation between income and costs (i.e. need) and the amount of concessions support available. For instance,

- A person over 67 years old (e.g. self-funded retiree, or full-time worker) earning well above the average wage can receive Cost of Living and Energy Bill concessions which are not available to a minimum wage worker on half the income;
- A well-off age pensioner (own-home, liquid assets) with an income of \$1,000 a week receives more in concession payments than a pensioner in a rental house with less than half the after-housing income of the well-off pensioner;
- A single age-pensioner receives more concessions than someone on JobSeeker, despite the age pensioner having a higher income;
- A 21-year old renting in a share house with near poverty line income is entitled to only one concession, and is unlikely to access it;
- A single parent raising three children on the minimum wage may receive no concession support from the state government.

PEOPLE	68 year old single person			35 year old, single parent, three children (8, 10, 13 y.o.)		55 year old, single person, no children			21 year old, single person
	Own Income, with Senior Card Holder	Part Age Pension + other income	Age pension	JobSeeker + FTB	Minimum Wage + FTB	JobSeeker	JobSeeker	Minimum Wage	Youth Allowance
Housing	Homeowner	Homeowner	Renting	Renting	Renting	Renting	Homeowner	Renting	Rent share house
Energy Source	Solar Power	Solar Power	Gas/electric grid	Gas/electric grid	Gas/electric grid	Gas/electric grid	Solar	Gas/electricity grid	Gas/electric grid
Financial Assets	\$500,000	\$100,000	Minimum/None	Minimum/None	Minimum/None	Minimum/None	Minimum/None	Minimum/None	Minimum/None
Transport	4WD & a boat	4WD and a boat	4 cylinder car	6 cylinder car	6 cylinder car	4 cylinder car	4 cylinder car	4 cylinder car	Motorbike
Weekly Income	\$1,700	\$1,000	\$589	\$865	\$1,305	\$414	\$339	\$813	\$387
After-housing Income	\$1,700	\$1,000	\$254	\$415	\$855	\$79	\$339	\$478	\$237
CONCESSIONS									
Cost of Living	\$112.30	\$224.50	\$112.30	\$112.30	0	\$112.30	\$224.50	0	0
Energy Bill	\$241.63	\$241.63	\$241.63	\$241.63	0	\$241.63	\$241.63	0	0
Energy % of Bill	63%	63%	27%	7%	0	27%	63%	0	0
Water & Sewerage	0	\$392.85	\$269.35	\$269.35	0	\$269.35	\$392.85	0	\$269.35
Private Transport	0	\$487.00	\$367.00	\$439.50	0	0	0	0	0
Public Transport Discount	100%	100%	100%	50%	0	50%	50%	0	0
Ambulance Cover	0	\$36.50	\$36.50	\$73.00	0	0	0	0	0
Ambo Transport Discount	0	50%	50%	50%	0	0	0	0	0
ESL (Home)	\$46	\$46	0	0	0	0	\$46	0	0
TOTAL: CoLC, Energy, ESL, Water, Private Transport	\$400	\$1,392	\$990	\$1,063	\$0	\$623	\$905	\$0	\$269

Assumptions: People with the relevant characteristics actually apply for and receive all relevant income payments and concessions. For housing costs, it is assumed single people are living in a two-bedroom unit, while those with children are renting 3-bedroom houses. Rents are calculated as the median of cheapest 50% of suburbs in Adelaide (based on [SA government rental bond data](#) – Sept 2022). Energy concession as a percent of bills is based on assumptions in SACOSS/ACOSS [national concessions report](#). The share house for the 21-year old is assumed to include one person earning more than \$22,000 p.a. Water and sewerage concession is assumed to be half-way between minimum and maximum water concessions and maximum sewerage concession, and renters are assumed to be responsible for all water supply and use charges.