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CABINET DECISION

NO. 625

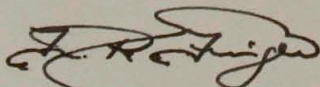
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Submission No.: 541

Title: CONCESSIONS FOR PENSIONERS

Cabinet approved that -

- (a) Concessions be granted to Aged, Invalid, Widow and Service pensioners and Supporting Parent Beneficiaries in respect of electricity charges, motor vehicle registration costs, Council rates and Water and Sewerage charges;
- (b) the concessions be -
  - . \$10 rebate on quarterly electricity accounts;
  - . up to \$70 rebate on motor vehicle registration costs;
  - . 50% rebate on Council rates;
  - . 50% rebate on Water and Sewerage rates (basic water rate only);
- (c) The existing free travel bus scheme for Darwin pensioners continue but be broadened to include Supporting Parent Beneficiaries and Service Pensioners; and
- (d) The issue of an appropriate Press Release.



(M.R. FINGER),  
Secretary to Cabinet.  
9 March 1979

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THE NORTHERN TERRITORY OF AUSTRALIA

Copy No. 1

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FOR CABINET

SUBMISSION NO. SA1

<b>Title:</b>	CONCESSIONS FOR PENSIONERS
<b>Cabinet Member:</b>	MR J ROBERTSON
<b>Purpose:</b>	To determine a policy in relation to the granting of concessions to pensioners.
<b>Relation to existing policy:</b>	The Government is committed to a policy of extending concessions to pensioners. All that has to be determined is the level of concessions.
<b>Timing/ legislative priority:</b>	The policy and level of concessions should be determined as quickly as possible.
<b>Announcement of decision, tabling, etc.:</b>	A public announcement should be made as soon as a decision is reached. Pensioner representative organisations should be advised directly.
<b>Action required before announcement:</b>	Finalisation of administrative arrangements between the Department of Community Development and the Department of Transport & Works, Electricity Commission and the City Councils and Corporations in Darwin, Katherine, Tennant Creek and Alice Springs.
<b>Staffing implications, numbers and costs, etc.:</b>	Can be handled by existing staff.
<b>Total cost:</b>	\$274,000 in a full year.

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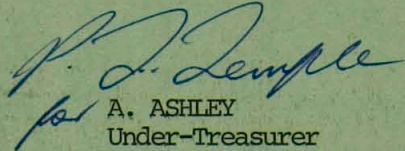


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CONCESSIONS TO PENSIONERS

Comment by  
Under Treasurer:

No objections in principle. It should be noted that the department has offered substantial savings on the amount budgeted in 1978/79 for this purpose.

  
for A. ASHLEY  
Under-Treasurer

1 March 1979

Approved/Not Approved

Signed:

Date:

Comment by  
Public Service  
Commissioner:

Approved/Not Approved

Signed:

Date:

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1 The Issues

To determine a policy on concessions to pensioners.

2 Background

Over a lengthy period queries on concessions to pensioners have been raised by various organisations and individuals.

The concessions sought are almost always concerned with electricity charges and other public charges which are causing hardship to pensioners. The Chief Minister has expressed concern for the need for pensioner concessions.

3 Consideration of the Issues

(a) Pensioners involved:

Those pensioners in receipt of Social Security and Service Pensions i.e. those receiving Age, Invalid, Widow's Pensions or Supporting Parent Benefit. From figures supplied by the Department of Social Security there are approximately 5,200 persons in these categories (this excludes any consideration of persons in receipt of unemployment benefit, sickness benefit, special benefit and certain other allowances such as TB allowance.) Attachment B shows details of numbers and locations of pensioners.



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(b) Concessions in some other States and the A.C.T.:

These are as shown in Attachment C.

(c) Hardship:

The need for a concession should only arise when it is established that there is a case of financial hardship. On the basis of income the case for hardship is clear. The single pension rate is equivalent to a tax free income of \$2,364. The average adult income is about \$9,900 after tax.

(d) Means Test:

It is proposed that only pensioners who are entitled to a Pensioner Health Benefit Card from Social Security will be eligible for the concessions. Pensioners not entitled to such a card have failed to meet the means test imposed by Social Security.

In addition to these persons all full supporting parents beneficiaries and service pensioners would also be eligible for the concessions. Supporting Parent benefits are subjected to a stringent means test.

4 Options

The Government is committed to extending concessions to pensioners. All that has to be decided is the extent and level of the concessions.

5 Degree of Concessions

It is recommended that the following concessions be

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adopted:

- (a) \$10 rebate on quarterly electricity accounts;
- (b) up to \$70 rebate on motor vehicle registration costs;
- (c) 50% rebate on Council rates;
- (d) 50% rebate on Water and Sewerage rates (basic water rate only);
- (e) Broadening of existing free bus travel in the Darwin area to include Supporting Parent Beneficiaries and Service Pensioners.

6 Financial Consideration

The estimated total cost, in a full year, for these concessions is \$247,000 and \$50,000 for the balance of the current financial year. The cost in future years will vary if charges increase.

7 Administration of Concessions

The Electricity Commission and the Department of Transport & Works have no objections to administering a concession scheme under which they can claim reimbursement, from the Department of Community Development, for revenue foregone. The Darwin City Council and the Alice Springs Corporation welcomed the possibility of a rate rebate scheme for pensioners as do the Katherine and Tennant Creek Corporations. Detailed administrative arrangements can be settled at a later date.

This is to be the first stage of benefits in a first stage development which will apply to all persons in receipt of regular pensions including the aged, the invalid, the widows and supporting mothers.



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Areas to come under a subsequent review include:

- (a) Concessional bus travel within the Territory;
- (b) Ways of subsidising pensioner travel outside the Territory and preferably to link in with the concessional rail travel arrangements through the Commonwealth Railways.

This exercise has many administrative complications in that the introduction would mean reciprocal arrangements for pensioners visiting the Territory from other States.

8 Recommendations

It is recommended that:-

- A concessions be granted to Aged, Invalid, Widow and Service pensioners and Supporting Parent Beneficiaries in respect of electricity charges, motor vehicle registration costs, Council rates and Water and Sewerage charges;
- B the concessions be -
  - \$10 rebate on quarterly electricity accounts;
  - up to \$70 rebate on motor vehicle registration costs;
  - 50% rebate on Council rates;
  - 50% rebate on Water and Sewerage rates (basic water rate only);
- C that the existing free travel Bus Scheme for Darwin pensioners continue but be broadened to include Supporting Parent Beneficiaries and Service Pensioners;

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D the revenue foregone by the Electricity Commission, the Department of Transport & Works and the various Councils and Corporations be recoverable from the Department of Community Development.

- persons receiving a Service Pension or a Full Social Security aged, Invalid, or widow's Pension or a Full Supporting Parent's benefit will be eligible to receive all or any of the following concessions:-
- (a) 5% rebate on quarterly electricity accounts;
  - (b) up to 5% rebate on motor vehicle registration duties;
  - (c) 5% rebate on Council rates;
  - (d) 5% rebate on Water and Sewerage rates (Main water only);
  - (e) exemption of parking fees for travel to the Darwin area to include Supporting Parent Beneficiaries and Service Pensioners.

It is intended that the Scheme will apply from 1 March 1966. To avail themselves of the concessions, eligible persons will be required to produce evidence of their pensioner status, such as a Pensioner Health Benefit Card, when paying their account for any of the charges to which the concessions relate.

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DRAFT PRESS STATEMENT

The Minister for Community Development, Mr Jim Robertson, today announced details of stage 1 of the Government Pensioner Concession Scheme. Under the Scheme persons receiving a Service Pension or a full Social Security Aged, Invalid, or Widow's Pension or a full Supporting Parent's benefit will be eligible to receive all or any of the following concessions:-

- (a) \$10 rebate on quarterly electricity accounts;
- (b) up to \$70 rebate on motor vehicle registration costs;
- (c) 50% rebate on Council rates;
- (d) 50% rebate on Water and Sewerage rates (basic water rate only);
- (e) Broadening of existing free bus travel in the Darwin area to include Supporting Parent Beneficiaries and Service Pensioners.

It is intended that the Scheme will apply from 1 March 1979. To avail themselves of the concessions, eligible persons will be required to produce evidence of their pensioner status, such as a Pensioner Health Benefit Card, when paying their account for any of the charges to which the concessions relate.



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Total Pensioners by classification: (Note 1)

Aged	2,235
Invalid	1,174
Widows	827
Service	95
Supporting Parents	842
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	5,173
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Pensioners in each main area of the Northern Territory:  
(Note 1)

Darwin	1,513
Katherine	377
Tennant Creek	242
Alice Springs	1,731
All other areas	1,310
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	5,173
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Note 1: Source - Department of Social Security

It is estimated that 250 pensioners own their houses and one-third of those in the main areas reside in Housing Commission accommodation. The number living in private rented accommodation is negligible.

The number paying electricity charges is estimated at 1,900. At \$10 per quarter rebate the cost is estimated at \$76,000 a full year.

According to the Registrar of Motor Vehicles there is one motor vehicle to each 1.96 persons. Therefore excluding Invalid Pensioners, Supporting Parents and 50% of Aged pensioners it is estimated that approximately 2,000 pensioners own motor vehicles. This will cost

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\$140,000 in a full year.

It is estimated that the average Council rates for pensioner home owners is \$250. For 250 home owners the estimated cost of a 50% rebate on Council rates and Water and Sewerage rates is \$50,000 in a full year.

*Jim Robertson* 1/3/79

C O N F I D E N T I A L



## C O N F I D E N T I A L

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SOUTH AUSTRALIA

- (a) Housing - Rent rebates
- (b) Health - Transport to and from hospitals, dental treatment, free spectacles, medical appliance hire, nursing and mental home charges
- (c) Rates & Taxes - Rebates on land tax, water rates and Council rates
- (d) Transport - Concessions for travel on buses, trams and trains.
- (e) Education - Concessions for study
- (f) Gas - Reduced tariffs
- (g) Entertainment - Concessions on admission prices to most performances at the Festival Centre etc.

VICTORIA

- (a) Electricity - Concessions during winter months
- (b) Water & Sewerage - 50% concession
- (c) Housing - Rent rebates

A.C.T.

- (a) Housing - Rent rebates
- (b) Water & Sewerage - 50% concession

QUEENSLAND

- (a) Water & Sewerage - 40% concession
- (b) Council rates - 50% concession
- (c) Bus Fares - 20¢ maximum fare on Brisbane buses
- (d) Motor Vehicle Registration - \$67.60 maximum charge
- (e) Housing - Rental rebates
- (f) Railways - Some free travel - other travel at half rates.