



ACT
Government

Chief Minister, Treasury and
Economic Development

Australian Capital Territory
Tax Expenditure
Statement
2017-18

ACT Treasury

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1 SCOPE

Tax expenditures arise from government policies that forgo revenue in order to achieve social, community or economic outcomes.

In the ACT context, tax expenditures reduce a person or entity's tax liability by way of an exemption, a concession or an incentive.

This statement outlines the Territory's tax expenditures in 2017-18 and compares them with those in 2016-17. It also reports on tax waivers granted and shows historical data for 2015-16.

This statement is based on ACT tax policies as of 2017-18, whether or not the time period or the reference to 'ACT' is specifically stated in the text. In considering the descriptions of the tax policy settings that expenditures relate to, it should be noted that these settings may change and that this will be reflected in future years' *Tax Expenditure Statements*.

This statement does not cover:

- a. Progressive tax scales designed to promote fairness in the tax system. Progressive tax scales, such as those for household general rates, are outside the scope of this statement, as this type of progressivity makes the distribution of tax fairer and more equitable. Such arrangements are not a subsidy for people on the lower end of the tax scale.

However, this is to be distinguished from differing tax rates being used as a price signal. In such cases, the aim is to influence taxpayer behaviour as a matter of policy. One such example is the Vehicle Emission Reduction Scheme. The scheme charges a lower duty on low emission cars, while charging more on higher emission cars, thereby influencing buyer choices. This type of differentiation is within the scope of this statement.

- b. Tax exemptions that result in no real net benefit for the recipient. These measures are typically in place to prevent unintended consequences from broad brush legislation. For example, accommodation allowances paid to reimburse an employee are exempt from payroll tax. The intent of this exemption is to define the coverage of the tax, rather than to provide a tax concession. These types of provisions are outside of the scope of this statement.
- c. Tax arrangements that are outside the policy control of the ACT Government, such as the Commonwealth Government's exemption from all ACT taxes,¹ are excluded.
- d. The ACT Government General Government Sector's tax exemption is excluded. This exemption is excluded from the scope of this statement as any tax on this sector represents an internal transfer of funds within the ACT Government.

However, ACT Government Business Enterprises are included within the scope of this statement. Any particular exemption provided to these entities would be regarded as a tax expenditure.

Tax exemptions provided to the charitable sector to support their community programs and outreach fall within the scope of this statement.

¹ Commonwealth Government includes its Government Business Enterprises.

Notes

The actual costs of tax expenditures are reported where possible. If an actual amount is not available, an estimated cost is reported. The actual amounts are denoted as such in the tables, in order to distinguish them from the estimates.

Estimates – rounded to the nearest \$10,000.

Actuals – rounded to the nearest \$1,000.

The line items in the tables may not add up to the totals due to rounding.

Tax expenditures may have a nil reported value due to one of the following:

- .. value is not zero, but rounded to zero.
- 0 zero. The usage of the tax concession is nil or unlikely to have occurred in 2017-18, hence no cost has been incurred.
- Not applicable.

Terms and definitions

Not-for-profit organisation

Organisations that do not operate for the profit, personal gain or other benefit of particular people.

Charity

A subsector of not-for-profit organisations that are carried on for a religious, educational, benevolent or charitable purpose, for example:

- religious institutions;
- poverty relief organisations;
- cultural, educational and health promotion organisations; and
- organisations that operate solely to promote the wellbeing and welfare of society.

Charities are eligible for tax concessions under ACT tax laws.

Excluded organisation

ACT tax laws specifically state the types of entities that cannot receive a charity designation in relation to ACT taxes:

- a political party;
- an industrial organisation;
- a professional organisation;
- an organisation that promotes trade, industry or commerce; and

- a class of organisation prescribed by regulation.

These entities are known as 'excluded organisations'. An excluded organisation may still be eligible for tax concessions under ACT tax laws, provided it has obtained a 'beneficial organisation determination'.

Beneficial organisation determination

Certain excluded organisations may apply to the Commissioner for ACT Revenue for a beneficial organisation determination. If approved, the recipient organisation will be eligible for tax concessions under ACT tax laws in a similar manner to charities.

The following excluded organisations may apply for a beneficial organisation determination:

- a professional organisation;
- an organisation that promotes trade, industry or commerce; and
- a class of organisation prescribed by regulation.

The charitable sector

For the purpose of this statement, the charitable sector refers to any type of not-for-profit entity that is eligible for tax concessions under ACT tax laws, either due to it being a charity, or being a recipient of a beneficial organisation determination. The charitable sector does not include non-government schools or hospitals, which are accounted for separately in this statement.

2 OVERVIEW

The *ACT Tax Expenditure Statement 2017-18* identifies and quantifies the tax exemptions, concessions and incentives provided by the ACT Government in 2017-18 and compares them with those in 2016-17.

This statement is prepared in order to:

- provide information on the ACT tax system; and
- inform ACT Government policy considerations.

Tax expenditures are important levers for the ACT Government to achieve our economic and social objectives. For example, they may be targeted to community organisations to achieve a social goal – such as exemptions provided for private schools on charges like the Fire and Emergency Services Levy; vulnerable cohorts within the community to support their wellbeing – such as the Pensioner General Rates Rebate; or particular groups of businesses to attract or retain their operations – such as the payroll tax free threshold provided to small businesses.

The costs of tax expenditures are less visible compared to direct expenditures, as the costs of tax expenditures are revenue that the Government does not receive. Forgone revenue is often not readily observable.

The costings in this statement are based on the revenue forgone approach, which measures the cost of a tax expenditure by the value of benefits that it provides. For a demand driven tax expenditure, its cost is calculated as:

$$\text{Value of tax benefit per recipient} \times \text{Number of recipients}$$

The costing of a tax expenditure will be actual if the ACT Government has all the relevant data about this tax expenditure. Otherwise, costs are estimated using other data sources. Notations are used in the tables to differentiate between the estimated and actual costs.

The estimated costs should be interpreted with care. The reliability of estimates is dependent on the quality and availability of data and also the assumptions being used. This reflects that data are generally collected from people who pay tax, not from those who do not. The costings are based on the best possible information that is available.

Moreover, the revenue forgone from a tax expenditure is often not the same as the extra revenue to be expected from the abolition of the associated tax exemption or waiver. This is because the latter is subject to behavioural changes by taxpayers. When a form of tax expenditure is abolished, taxpayers will react to the change and this may affect the related revenue outcomes. The revenue forgone approach does not make assumptions about such behavioural changes.

Care should also be taken when comparing the ACT's tax expenditures with those reported in other jurisdictions' tax expenditure statements. The scope of the tax expenditure statements, as well as the definitions, benchmarks and measurement for tax expenditures may differ across jurisdictions.

The statement also has two attachments. *Attachment A* outlines the waivers on taxes and fees granted. *Attachment B* outlines the targeted assistance concessions provided by the Government.

3 TOTAL TAX EXPENDITURE

In 2017-18, the ACT Government's total revenue forgone is estimated to have been \$264.2 million, a decline of 5.6 per cent from 2016-17. This is equivalent to 4.8 per cent of the ACT's total direct expenditure.² As a share of the ACT's total direct expenditure, this is lower than the expenditures for 2016-17 (5.2 per cent). The ACT Government's total direct expenditure through programs and new initiatives increased by 1.6 per cent in 2017-18.

Table 1 below shows that revenue forgone in 2017-18 was the highest for payroll tax at \$196.7 million, followed by general rates at \$18.4 million and the Lease Variation Charge at \$15.5 million.

In 2017-18, most of the tax expenditures were generally in line with those in 2016-17, except for conveyance duty, the Lease Variation Charge and payroll tax. Payroll tax represents the largest area of tax expenditure because the ACT has the highest tax threshold in the country, so approximately 90 per cent of local Canberra businesses do not pay any payroll tax.

Conveyance duty tax expenditures decreased by \$21.1 million in 2017-18, largely as a result of a decline in duty concession from the Loose-fill Asbestos Insulation Eradication Buyback Concession Scheme. Most of the affected properties have been bought back by the Government and the owners have purchased and settled on new properties that were eligible for the concession. The Over 60s Home Buyer Bonus Scheme expenditures also declined following the expiry of the scheme on 31 December 2016.

The Lease Variation Charge expenditures decreased by \$2.1 million in 2017-18 due to a slowdown in the uptake of the lease variation charge economic stimulus remission.

The \$6.0 million increase in payroll tax expenditure was a result of more private sector businesses falling under the tax free threshold.

Table 1: Tax expenditures by revenue line¹

	Revenue forgone (\$'000)		
	2015-16	2016-17	2017-18
Payroll Tax	188,150	190,660	196,680
General Rates	17,500	18,318	18,410
Lease Variation Charge	3,119 ^a	17,614 ^a	15,513 ^a
Conveyance Duty	32,614	32,804	11,674
Motor Vehicle Registration	8,973 ^a	9,538 ^a	10,117 ^a
Motor Vehicle Duty	7,213	7,894	8,489
Fire and Emergency Services Levy	2,848	2,752	2,793
Water Abstraction Charge	397 ^a	352 ^a	550 ^a
Total	260,813	279,932	264,225

a - Actual costs. Others are estimated costs.

1. The tax expenditures do not include any waivers or targeted assistance concessions.

² ACT's total direct expenditure was \$5.482 billion in 2017-18 and \$5.395 billion in 2016-17.

Table 2 below lists the 10 largest tax expenditures in the ACT.

Table 2: The 10 largest tax expenditures

		Revenue forgone (\$'000)		
		2015-16	2016-17	2017-18
1	Payroll tax – tax free threshold for private sector businesses	145,300	148,000	151,000
2	Payroll tax – charitable sector exemption ¹	19,100	19,000	20,000
3	Payroll tax – non-government schools exemption ¹	17,800	18,000	19,000
4	Lease Variation Charge – Economic stimulus - Sustainability or adaptability design	1,038 ^a	14,334 ^a	13,483 ^a
5	General rates – pensioner rebate	9,160 ^a	9,391 ^a	8,953 ^a
6	Motor vehicle registration – pensioner remission	8,944 ^a	9,439 ^a	9,832 ^a
7	Conveyance duty – Home Buyer Concession Scheme	11,742 ^a	9,750 ^a	8,083 ^a
8	Motor vehicle duty – Vehicle Emission Reduction Scheme	6,343 ^a	6,984 ^a	7,547 ^a
9	Payroll tax – private hospital exemption ¹	5,300	5,000	6,000
10	General rates – non-government schools exemption	4,700	5,030	5,331

a - Actual costs. Others are estimated costs.

1. For the purposes of this statement, the charitable sector does not include non-government schools or hospitals, which are costed as separate categories.

Table 3 below shows categories of beneficiaries by the value of tax benefits received. For 2017-18, small and medium businesses falling below the payroll tax threshold accounted for the largest share of the total benefits, followed by non-government schools and the charitable sector.

Table 3: Beneficiaries by value of tax benefits received

	Revenue forgone (\$'000)		
	2015-16	2016-17	2017-18
The business sector	145,300	148,000	151,000
Payroll tax threshold	145,300	148,000	151,000
Non-government schools¹	23,340	23,890	25,203
Payroll tax	17,800	18,000	19,000
General rates	4,700	5,030	5,331
Fire and Emergency Services Levy	840	860	872
The charitable sector¹	22,840	24,029	24,054
Payroll tax	19,100	19,000	20,000
General rates	2,950	3,160	3,346
Fire and Emergency Services Levy	550	560	571
Conveyance duty	200	1,269 ^{a, r}	96 ^a
Motor vehicle duty	40	40	41
Pensioners	19,462^a	20,062^a	20,031^a
General rates rebate	9,160 ^a	9,391 ^a	8,953 ^a
Fire and Emergency Services Levy rebate	1,358 ^a	1,232 ^a	1,246 ^a
Motor vehicle registration	8,944 ^a	9,439 ^a	9,832 ^a
Home buyers	16,555^a	13,268^a	9,818^a
Home Buyer Concession Scheme	11,742 ^a	9,750 ^a	8,083 ^a
Pensioner Duty Concession Scheme	1,677 ^a	1,748 ^a	1,731 ^a
Over 60's Home Bonus Scheme ²	3,136 ^a	1,770 ^a	4 ^a
Non-government hospitals¹	5,960	5,700	6,739
Payroll tax	5,300	5,000	6,000
General rates	560	600	635
Fire and Emergency Services Levy	100	100	104
Others³	27,357	44,983	27,380

a - Actual costs. Others are estimated costs.

r – Revised. Conveyance duty concession to the charitable sector in 2016-17 was revised due to a change in methodology from estimated to actual.

1. For the purposes of this statement, the charitable sector does not include non-government schools or hospitals, which are accounted for separately.
2. The Over 60's Home Bonus Scheme ended on 31 December 2016.
3. The high value for "Others" in 2016-17 was largely a result of a \$14.5 million increase in the Lease Variation Charge in 2016-17.

4 TAX EXPENDITURES BY REVENUE LINE

Payroll tax

Businesses that pay more than \$2 million per year in wages Australia-wide are liable for payroll tax in the ACT. The tax is calculated based on wages paid in relation to services performed by an employee in the ACT or by an employee based in the ACT. The total taxable wages includes wages and salaries, allowances, superannuation, fringe benefits and contractor payments.

Table 4 below shows that the Territory's tax expenditure on payroll tax was \$196.7 million in 2017-18, a 3.2 per cent increase from the 2016-17 tax expenditure of \$190.7 million. The increase was mainly due to growth in the number of small and medium businesses who were exempt from paying payroll tax as a result of the ACT's high tax free threshold, leading to an increase in revenue forgone.³

Table 4: Payroll tax – tax expenditures

	Revenue forgone (\$'000)		
	2015-16 ^e	2016-17 ^e	2017-18 ^e
Tax free threshold for small and medium businesses	145,300	148,000	151,000
Exempt employers			
The charitable sector ¹	19,100	19,000	20,000
Non-government schools ¹	17,800	18,000	19,000
Non-government hospitals ¹	5,300	5,000	6,000
Exempt wages			
Group Training Organisations – trainees and apprentices	430	440	450
Long term unemployed	200	200	210
Building and construction industry – the portable leave scheme	20	20	20
Total	188,150	190,660	196,680

e – Estimated costs.

1. For the purposes of this statement, the charitable sector does not include non-government schools or hospitals.

Tax free threshold for small and medium businesses

Businesses with total taxable wages of \$2 million or under are exempt from payroll tax. Businesses with total taxable wages over \$2 million pay payroll tax on the portion of wages that exceed the threshold.

Should the business also have employees in other jurisdictions, it is the business' Australia-wide total taxable wages that forms the basis of determining whether the business is over the threshold in the ACT.

³ The payroll tax threshold in 2017-18 was \$2 million, unchanged from 2016-17.

Should a business be part of an employer group, the grouping rules will apply, which typically reduce the threshold entitlement that is available.

This tax expenditure only relates to private sector businesses. It does not cover any public sector business enterprises, nor does it cover not-for-profit entities (though also part of the private sector) such as non-government schools/hospitals and charities.

The benchmark tax free threshold is assumed to be zero, meaning that any amount of tax free threshold represents a concessional treatment. The benchmark tax rate is assumed at the normal tax rate of 6.85 per cent (the 2017-18 rate). These parameters are adopted purely for costing purposes. The value of revenue forgone relates to wages both above and below the tax free threshold.

The charitable sector

The charitable sector⁴ is exempt from payroll tax. The costing is based on all wages in the sector, including wages below the threshold.

Non-government schools

Independent and Catholic schools up to the secondary level are exempt from payroll tax. The costing is based on all wages in the sector, including wages below the threshold.

Non-government hospitals

Non-government hospitals are exempt from payroll tax. The costing is based on all wages in the sector, including wages below the threshold.

Group Training Organisations – trainees and apprentices

Group Training Organisations (GTOs) arrange work placements for trainees and apprentices with host firms. A GTO is the responsible employer for its trainees and apprentices, including the administration of payroll. The trainees and apprentices' wages are exempt from payroll tax.

Other wage expenses a GTO may have, such as those related to corporate staff, are subject to payroll tax as normal, with an entitlement to the tax free threshold.

Long term unemployed

This exemption applies where an employer hires an employee who was previously unemployed for 12 months or longer. These employees' wages are exempt from payroll tax for the first 12 months of their employment.

Building and construction industry – portable leave scheme

Employers in the building and construction industry make periodic contributions to the portable long service leave scheme (administered by the ACT Long Service Leave Authority). These contributions are made to fund the employees' leave entitlements, akin to superannuation contributions. However, unlike superannuation which is a component of the taxable payroll, the long service leave contribution is exempt from payroll tax.

Other industrial portable leave schemes are not exempt from payroll tax.

⁴ The charitable sector includes the charities as well as the organisations that have a beneficial organisation determination approved.

General Rates and Fire and Emergency Services Levy

General Rates and the Fire and Emergency Services Levy are part of the same land-based taxes charge levied on residential and commercial properties in the ACT.

For residential properties, rates comprise a fixed charge and a variable charge. The variable charge is calculated on the average land value of the past three years (the Average Unimproved Value).

The Fire and Emergency Services Levy is a fixed amount across all residential properties, regardless of land values.

For commercial properties, both general rates and the Fire and Emergency Services Levy are progressive taxes comprising a fixed charge and a variable charge. The variable charge is calculated on the Average Unimproved Value of the property.

Table 5 below shows that the Territory's tax expenditure on General Rates concessions was \$18.4 million in 2017-18, a slight increase of 0.5 per cent from 2016-17.

The ACT's tax expenditure on the Fire and Emergency Services Levy was \$2.8 million in 2017-18, a 1.5 per cent increase from 2016-17.

Table 5: General Rates and Fire and Emergency Services Levy – tax expenditures

	Revenue forgone (\$'000)					
	2015-16		2016-17		2017-18	
	Rates	FESL	Rates	FESL	Rates	FESL
Residential property						
Pensioner rebate	9,160 ^a	1,358 ^a	9,391 ^a	1,232 ^a	8,953 ^a	1,246 ^a
Commercial property						
Not-for-profit sector exemption	2,950	550	3,160	560	3,346	571
Non-government schools exemption	4,700	840	5,030	860	5,331	872
Non-government hospitals exemption	560	100	600	100	635	104
Small clubs fixed charge exemption	130 ^a	-	136 ^a	-	145 ^a	-
Total	17,500	2,848	18,317	2,752	18,410	2,793

a - Actual costs. Others are estimated costs.

Pensioner rates rebate

A property owner who receives a Commonwealth Government or Department of Veterans' Affairs pension and is entitled to a Pensioner Concession Card or a War Veteran's pension is eligible for the pensioner General Rates rebate. Rebate assistance applies only to a principal place of residence.

Two schemes operated concurrently in 2017-18:

- A 50 per cent rebate, no upper limit. This scheme was closed on 1 July 1997 to new entrants, but continued for those already in the scheme under grandfathering provisions.
- A 50 per cent rebate, capped at \$700. This scheme is applicable to pensioners who joined the scheme after 1 July 1997.

From 1 July 2016, the uncapped scheme is frozen at 2015-16 levels where the rebate exceeds the cap of \$700.

The slight fall in revenue foregone between 2016-17 and 2017-18 was due to a reduction in the number of recipients in both schemes. The number of recipients in the second scheme was affected by the Commonwealth Government's changes to the assets test for the Aged Pension from 1 January 2017, which reduced the number of eligible property owners from 1 July 2017.

Pensioner Fire and Emergency Services Levy rebate

A property owner who receives a Commonwealth Government or Department of Veterans' Affairs pension and is entitled to a Pensioner Concession Card or a War Veteran's pension is eligible for a rebate on the Fire and Emergency Services Levy, in addition to the General Rates rebate. Rebate assistance applies only to a principal place of residence.

In 2017-18, the Fire and Emergency Services Levy was a fixed amount of \$294 per property⁵ and the rebate was \$98 per property, regardless of the land value.

The charitable sector

The charitable sector⁶ is exempt from commercial rates and the Fire and Emergency Services Levy on properties that they own and use for charitable purposes.

Non-government schools

Independent and Catholic schools up to the secondary level are exempt from rates and the Fire and Emergency Services Levy.

Non-government hospitals

Non-government hospitals that do not operate for a profit are exempt from rates and the Fire and Emergency Services Levy.

For-profit hospitals and clinics are not exempt.

Small clubs fixed charge exemption

The ACT Government provides rates relief to some small community clubs by exempting them from the fixed charge part of the rates (\$2,380 per property in 2017-18⁷). These clubs remain liable for the variable charge part of the rates, as well as the Fire and Emergency Services Levy.

This program will be reviewed at the end of 2023-24.

⁵ Disallowable Instrument number 2017-139.

⁶ The charitable sector for this purpose includes charities and organisations that have a beneficial organisation determination approved. One exception, though, is the community housing sector, which is subject to rates and Fire and Emergency Services Levy as normal.

⁷ Disallowable Instrument number 2017-142.

Conveyance Duty

Conveyance duty is levied on the agreement for the sale or transfer of land, a Crown lease or a land use entitlement for residential and commercial properties located in the ACT. The duty rates are generally applied to the transfer value of the property.

Table 6 below shows that the Territory's tax expenditure on conveyance duty was \$11.7 million in 2017-18, compared to \$32.8 million in 2016-17. The 64.4 per cent decrease in conveyance duty tax expenditure was mainly due to a significant decline in the Loose-fill Asbestos Insulation Eradication Buyback Concession Scheme. The uptake rate of this scheme has slowed significantly as most of the affected properties have been bought back by the Government and the owners have purchased and settled on new properties.

The cessation of the Over 60's Bonus Scheme from 31 December 2016 and a decline in duty exemption for community housing also contributed to the decline in conveyance duty forgone. The duty concession for community housing can vary significantly depending on the development pipeline of community housing providers.

Table 6: Conveyance Duty – tax expenditures

	Revenue forgone (\$'000)		
	2015-16	2016-17 ^a	2017-18 ^a
Duty exemption			
Community housing	1,839 ^a	2,322	771
Duty concessions			
Loose-fill Asbestos Insulation Eradication Buyback Concession Scheme	14,020 ^a	15,945	989
The charitable sector	200	1,269 ^r	96
Home buyer assistance			
Home Buyer Concession Scheme	11,742 ^a	9,750	8,083
Pensioner Duty Concession Scheme	1,677 ^a	1,748	1,731
Over 60's Bonus Scheme	3,136 ^a	1,770	4
Total	32,614	32,804	11,674

a – Actual costs. Others are estimated costs.

r – Revised data due to change in methodology from estimating to extracting actual numbers from revenue office.

Community housing

Declared community housing providers⁸ are exempt from conveyance duty on purchases of properties that are used for community housing.

⁸ Declared community housing providers include Housing ACT and Community Housing Canberra. Housing ACT is an ACT Government Business Enterprise, which is included in the scope of this statement.

Loose-fill Asbestos Insulation Eradication Buyback Concession Scheme

This scheme forms part of the ACT Government's broader strategies to eradicate loose-fill asbestos in the Territory.

Mr Fluffy home owners who opted into the voluntary buyback program are eligible for a duty concession on the purchase of a replacement property. The buyback scheme closed on 30 June 2015.

The value of the concession is linked to the value of the property surrendered (the asbestos affected property). If the new purchase is valued at less than the property surrendered (a "downsize"), the duty will be fully offset.

If the purchase is valued at more than the property surrendered, there will be a partial duty payable on the price differential, that is:

- the duty calculated on the new property (the higher amount);
minus
- the duty credit on the surrendered property (the lower amount).

The charitable sector

The charitable sector⁹ is exempt from duty on transfers of properties.

Home Buyer Concession Scheme

The Home Buyer Concession Scheme is available to eligible first home buyers, as well as buyers who have not owned a property in the previous two years.

To access the concession, the applicant must purchase a new property or a vacant block of land, satisfy the ownership test, income test and residency requirements.

From 7 June 2017, a purchaser is no longer eligible for the Home Buyer Concession Scheme for purchases of a substantially renovated property¹⁰. The applicant must meet the household income threshold, and also continuously live in the property for 12 months or more after moving in.

The property value thresholds relating to 2017-18 are below.

Table 7: Home Buyer Concession Scheme, property value thresholds
7 June 2017 to 17 September 2017¹¹

	Lower threshold \$20 duty for purchases up to the lower threshold	No concession for purchases over the upper threshold
New home	\$470,000	\$607,000
Vacant land	\$281,200	\$329,500

⁹ The charitable sector includes charities and organisations that have a beneficial organisation determination approved.

¹⁰ Disallowable Instrument number 2017-81 notified on 6 June 2017.

¹¹ Notified on 6 June 2017 and 14 September 2017 under Disallowable Instrument numbers 2017-81 and 2017-226, respectively. Transactions from 7 June 2017 to 30 June 2017 were excluded from 2017-18 revenue forgone.

Table 8: Home Buyer Concession Scheme, property value thresholds**18 September 2017 to 5 June 2018**

	Lower threshold No duty for purchases up to the lower threshold ¹²	Upper threshold No concession for purchases over the upper threshold
New home	\$470,000	\$607,000
Vacant land	\$281,200	\$329,500

Table 9: Home Buyer Concession Scheme, property value thresholds**6 June 2018 to 4 June 2019¹³**

	Lower threshold No duty for purchases up to the lower threshold	Upper threshold No concession for purchases over the upper threshold
New home	\$470,000	\$607,000
Vacant land	\$281,200	\$329,500

For a purchase valued less than the lower threshold, no duty is applied¹². From the lower threshold up to the upper threshold, concessional duty is applied. From the upper threshold onward, no concession is available.

Pensioner Duty Concession Scheme and Over 60's Home Bonus Scheme

The Pensioner Duty Concession Scheme may be available to Centrelink and Department of Veterans' Affairs age pensioners, and disability support pensioners aged 50 and over.

Up until 31 December 2016, the ACT Government also provided the Over 60's Home Bonus Scheme, which was the Pensioner Duty Concession Scheme equivalent for non-pensioners aged 60 and over. The Over 60's Home Bonus Scheme ceased on 31 December 2016.

Under either scheme, the applicant must continuously live in the property for 12 months or more after moving in. The purchase must take place within 12 months of the sale of the person's previous property.

The property value thresholds for the Pensioner Duty Concession Scheme and Over 60's Home Bonus Scheme over the course of 2017-18 are below.

¹² The \$20 duty amount was abolished from 18 September 2017 under the *Revenue Legislation Amendment Act 2016 (No.2)*.

¹³ Transactions from 6 June 2018 to 30 June 2018 were accounted for as part of 2017-18 revenue forgone.

**Table 10: Pensioner Duty Concession Scheme, property value thresholds,
7 June 2017 to 17 September 2017¹⁴**

	Lower threshold No duty for purchases up to the lower threshold	Upper threshold No concession for purchases over the upper threshold
Dwelling	\$680,500	\$895,000
Vacant block	\$361,700	\$434,500

**Table 11: Pensioner Duty Concession Scheme, property value thresholds,
18 September 2017 to 5 June 2018**

	Lower threshold No duty for purchases up to the lower threshold	Upper threshold No concession for purchases over the upper threshold
Dwelling	\$680,500	\$895,000
Vacant block	\$361,700	\$434,500

**Table 12: Pensioner Duty Concession Scheme, property value thresholds,
from 6 June 2018¹⁵**

	Lower threshold No duty for purchases up to the lower threshold	Upper threshold No concession for purchases over the upper threshold
Dwelling	\$680,500	\$895,000
Vacant block	\$361,700	\$434,500

For purchases valued under the lower threshold, no duty is applied. From the lower threshold up to the upper threshold, a concessional duty is applied. From the upper threshold onwards, no concession is available.

¹⁴ Disallowable Instrument number 2017-82 notified on 6 June 2017. Transactions from 1 July 2017 to 17 September 2017 were accounted for as part of 2017-18 revenue forgone.

¹⁵ Transactions from 6 June 2018 to 30 June 2018 were accounted for as part of 2017-18 revenue forgone.

Motor Vehicle Duty

Motor Vehicle Duty is levied on the establishment of a registration and on the transfer of a motor vehicle. The duty rates for each new vehicle are dependent on the environmental performance rating of that model, from Rating A – the most environmentally friendly, to Rating D – the least. The rating is assigned according to the motor vehicle emission data published in the Green Vehicle Guide. All second hand vehicles are taxed at Rating C.

Table 13 below shows that the Territory’s tax expenditure on Motor Vehicle Duty is estimated at \$8.5 million in 2017-18, an increase of 7.5 per cent from the 2016-17. The increase was a result of an increase in the number of green rated vehicles that received a duty concession.

Table 13: Motor Vehicle Duty – tax expenditures

	Revenue forgone (\$'000)		
	2015-16	2016-17	2017-18
Duty exemption			
People with certain disabilities	40	40	41
The charitable sector	40	40	41
Vintage vehicles	10	10	10
Caravans and camp trailers	780	820	850
Duty concession			
Vehicle Emission Reduction Scheme	6,343 ^a	6,984 ^a	7,547 ^a
Total	7,213	7,894	8,489

a - Actual costs. Others are estimated costs.

People with disabilities

People with certain disabilities are eligible for a duty concession on purchases of disability modified vehicles. The value of the modification is exempt from duty. Veterans with certain disabilities are eligible for a full exemption.

The charitable sector

The charitable sector¹⁶ is exempt from duty on purchases of motor vehicles.

Vintage vehicles

Vintage vehicles affiliated to car clubs may be exempt from motor vehicle duty. This recognises that these vehicles are used as a hobby, on a limited basis.

Caravans and camp trailers

Non-motorised caravans and camp trailers are exempt from duty.

¹⁶ The charitable sector includes charities and organisations that have a beneficial organisation determination approved.

Vehicle Emission Reduction Scheme

This scheme establishes the duty rates for motor vehicles, from Rating A to Rating D according to the model's level of emissions.

Generally, Rating A is applied to electric and hybrid cars.

Rating B is applied to compact cars and new motorcycles.

Rating C is applied to medium and large cars, as well as to second-hand and non-rated vehicles including motorcycles.

Rating D is related to high powered cars, large four wheel drives and some commercial vehicles.

In terms of the duty rate, Rating A is duty free, while Rating B, C and D are taxed at increasing rates. Second-hand and non-rated vehicles are taxed at Rating C.

This tax expenditure reflects that greener vehicles pay either no duty (Rating A) or a low duty (Rating B), compared to the benchmark Rating C that is applied to a majority of vehicles. Being the benchmark rate, Rating C is assumed to be the standard tax rate that would have applied to all vehicles, had the concessional rates not existed.

Note that though Rating C's tax rates are lower than Rating D's, Rating D is not an appropriate benchmark tax rate. This is because Rating D is effectively a surcharge that discourages the purchases of higher emission cars.

The value of duty forgone from the Vehicle Emission Reduction Scheme is calculated as the total of:

- duty forgone on A-rated vehicles relative to Rating C; and
- duty forgone on B-rated vehicles relative to Rating C.

Motor vehicle registration fees

Motor vehicle registration fees are payable upon the renewal of a registration. They are calculated based on the tare weight of the vehicle and the length of the registration with owners able to register for 3, 6 or 12 months.

Table 14 below shows that the Territory's tax expenditure on motor vehicle registration fees was \$10.1 million in 2017-18, compared to \$9.5 million in 2016-17. The 6.1 per cent increase in revenue forgone for motor vehicle registration fees was due to an increase in exemptions for pensioners and the number of gas and electric vehicles that received a concession.

Table 14: Motor vehicle registration fee – tax expenditures

	Revenue forgone (\$'000)		
	2015-16 ^a	2016-17 ^a	2017-18 ^a
Exemption			
Pensioners	8,944	9,439	9,832
Concessions			
Gas and electric vehicles	13	85	273
Primary producers	16	14	13
Total	8,973	9,538	10,117

a - Actual costs.

Pensioners

Holders of a current Centrelink pensioner concession card; or Department of Veterans' Affairs pensioner concession card; or Repatriation Health Card ('gold card') issued by the Department of Veteran's Affairs (where the card does not indicate that the card holder is a dependant) are eligible for a 100 per cent concession for the registration of one vehicle only.

Holders of a Seniors Card are eligible for a 10 per cent concession for the registration of one vehicle only.

Gas and electric vehicles

Holders of a Seniors Card who are the registered operator of a gas/electric/plug-in hybrid electric/hydrogen (fuel cell) powered vehicle are eligible for 28 per cent concession for the registration of one vehicle only.

Primary production

Motor vehicles used in primary production receive a 45 per cent remission on the motor vehicle registration fee for two goods carrying vehicles, one trailer and one tractor.

Gas/electric/plug-in hybrid electric/hydrogen (fuel cell) powered motor vehicles used in primary production receive a 55 per cent remission on the motor vehicle registration fee for two goods carrying vehicles, one trailer and one tractor.

Lease Variation Charge

The value of the lease associated with any block of land is closely linked to the permitted use of that land. For example, the valuation of a lease may increase significantly if its permitted use is varied to allow development. This reflects the value of development potential created by such a change.

The Lease Variation Charge (LVC) captures the value uplift resulting from the ACT Government granting increased development rights to a given lease over a block of land. The charge is assessed as part of the development approval process. There are two types of lease variation:

- Section 276E – codified lease variation. The Lease Variation Charge payable is listed in the fee schedules. The fee schedules cover a variety of lease variations. The amount payable depends on the type and location of the proposed development, and represents the value uplift to be expected from such a lease variation.
- Section 277 – non-codified lease variation. Section 277 lease variations are those that fall outside of the section 276E fee schedules. Without a set fee, the value uplift is calculated on a case by case basis, based on the assessed lease values before and after the proposed lease variation. The Lease Variation Charge tax rate is 75 per cent of the value uplift.

From 6 March 2014, the ACT Government provided extra remissions for several types of section 276E and section 277 lease variations through our economic stimulus package. These measures were designed to support the building and construction industry and keep the wider economy growing during a period of economic uncertainty. The economic stimulus package ended on 6 March 2018.

The concessions offered as part of this economic stimulus package are tax expenditures. Table 15 below shows that the Territory's tax expenditure on the Lease Variation Charge was \$15.5 million in 2017-18, which is an 11.9 per cent decrease from the \$17.6 million recorded in 2016-17. This decrease was in part due to a decrease in applications for the economic stimulus remission for sustainable or adaptable building design in 2017-18.

Table 15: Lease Variation Charge – tax expenditures

	Revenue forgone (\$'000)		
	2015-16 ^a	2016-17 ^a	2017-18 ^a
S276E – Codified variation			
Economic stimulus – residential – extra 30 per cent remission	16	117	0
Public housing – extra 25 per cent remission ¹	11	2	112
S277 – Non-codified variation			
Economic stimulus - extra 25 per cent remission	1,229	3,161	1,367
Economic stimulus - sustainable or adaptable building design	1,038	14,334	13,483
Remediation of former service station – extra 75 per cent remission	525	0	551
Childcare centres – exemption	300	0	0
Total	3,119	17,614	15,513

a - Actual costs.

1. Public housing lease variations can also fall under section 277. In 2016-17, there was no instance of section 277 public housing lease variations, and all such lease variations related to section 276E.

Economic stimulus – residential lease variations – extra 30 per cent remission¹⁷

Under the ACT Government’s economic stimulus, a section 276E residential lease variation was eligible for an extra 30 per cent remission on the Lease Variation Charge, should such a lease variation seek to increase the number of dwellings permitted on the block.

Public housing – extra 25 per cent remission

Housing ACT’s public housing developments¹⁸ may be eligible for an extra 25 per cent remission on the Lease Variation Charge.

Economic stimulus – extra 25 per cent remission

Under the ACT Government’s economic stimulus, a section 277 lease variation may be eligible for an extra 25 per cent remission on the Lease Variation Charge, provided there is a development approval, and that the development approval relates to the construction of a building on the land.

Economic stimulus - sustainable or adaptable building design¹⁹

Under the ACT Government’s economic stimulus, a section 277 lease variation may be eligible for extra remissions up to 25 per cent on the Lease Variation Charge, if such a lease variation incorporates sustainability or adaptability building designs, or both.

Sustainable design is one that is able to be certified for a Green Star rating of 5 or above, alternatively a Nationwide House Energy Rating Scheme (‘NatHERS’) rating of 6.5 or above.

Adaptable design relates to residential developments. It makes provisions for future modifications that will meet the useability and mobility needs of seniors or people with disabilities.

Remediation of former service stations

A lease variation involving the rehabilitation of the site of a former service station receive a full Lease Variation Charge exemption.

Childcare centres

Lease variations associated with childcare centres received a full Lease Variation Charge exemption.

¹⁷ Planning and Development (Remission of Lease Variation Charges - Economic Stimulus and Sustainability) Determination 2014 (No. 1) notified via Disallowable Instrument number 2014-48 on 31 March 2014 and expired on 6 March 2016. These stimulus measures were extended via Disallowable Instrument number 2016-28 on 7 March 2016 and expired on 6 March 2018.

¹⁸ Housing ACT is an ACT Government Business Enterprise, which is included in the scope of this statement.

¹⁹ A new environmental sustainability remission for the lease variation charge commenced on 7 March 2018 under Planning and Development (Remission of Lease Variation Charges - Environmental Sustainability) Determination 2018 (No. 1), Disallowable Instruments 2018-40 and 2018-89, and will expire on 30 June 2019. This does not form part of the economic stimulus remissions.

Water Abstraction Charge

The Water Abstraction Charge (WAC) is paid by users who are licensed to take water in the ACT. The charge reflects the value of water as a scarce resource, as well as the Territory's costs incurred in relation to water catchment management and environmental protection.

For 2017-18, the Water Abstraction Charge rate for non-potable water (surface and ground water) was \$0.278 per kilolitre of water. The tax expenditures reflect the ACT Government's concession schemes in relation to the extraction of non-potable water.

Table 16 below shows that the Territory's tax expenditure on the Water Abstraction Charge was \$550,000 in 2017-18, an increase of 56 per cent from \$352,000 in 2016-17. The increase in Water Abstraction Charge was due to an increase in the volume of water usage by golf clubs, as well as increase in price per kilolitre. Water usage for agricultural purposes also increased in volume and price.

Table 16: Water Abstraction Charge – tax expenditures

	Revenue forgone (\$'000)		
	2015-16 ^a	2016-17 ^a	2017-18 ^a
Golf Clubs - Market Equity Scheme	152	98	193
Golf Clubs - Infrastructure Offset Scheme	150	100	190
Agriculture - Competition Equalisation Payment Scheme	95	154	167
Total	397	352	550

a - Actual costs.

Golf Clubs - Market Equity Scheme

Under the scheme, ACT golf clubs receive a 50 per cent discount on the Water Abstraction Charge incurred in relation to the extraction of non-potable water for the maintenance of golf courses.

This discount brings the cost of non-potable water for ACT golf clubs down to a level that is comparable to that of the NSW golf clubs operating in the surrounding region.

Golf Clubs – Infrastructure Offset Scheme

Under the scheme, ACT golf clubs are able to claim an offset until the end of 2020 on their Water Abstraction Charge liabilities for eligible capital expenditure invested into water saving infrastructure during the period of 2002 to 2015.

If the available offset amount for a golf club is greater than its Water Abstraction Charge bill, the liability will be fully offset, with no charge payable.

Under the scheme golf clubs were required to demonstrate to the ACT Government how their capital spending is linked to improved water efficiency outcomes.

Agriculture – Competition Equalisation Payment Scheme

Under the scheme, eligible ACT irrigators receive a rebate on Water Abstraction Charge incurred in relation to the extraction of non-potable water used in primary production. This rebate reduces the cost of non-potable water for ACT irrigators to a level that is no more than that of the NSW irrigators operating in the surrounding region.

ATTACHMENT A – WAIVERS

Section 131 of the *Financial Management Act 1996* allows the Treasurer or his delegate to waive a debt owing to the Territory. A tax waiver releases a taxpayer from the obligation of paying a tax liability. Waivers are not tax expenditures. They are administrative actions taken on a case by case basis, whereas tax expenditures are government policies that are applied across taxpayers. The Act does not specify criteria for assessing waiver requests; the power to provide waivers is discretionary in nature.

The annual financial statements of individual Directorates contain more information on tax waivers.²⁰

In 2017-18, 5 tax waivers were granted under section 131 of the *Financial Management Act 1996*, totalling around \$1.9 million (Table A1 below).

Table A1: Tax waivers by revenue head¹

	2015-16		2016-17		2017-18		Notes
	Number of waivers	\$'000	Number of waivers	\$'000	Number of waivers	\$'000	
Payroll Tax	5	2,164	4	1,716	3	1,500	The waivers were part of the ACT Government's wider measures to facilitate more investment and job creation in the Territory.
Conveyance Duty	0	0	2	93	1	8	These waivers were provided to rectify administrative errors or on community interest grounds.
Land Tax	5	19	3	42	0	0	These waivers were provided in exceptional circumstances to achieve beneficial policy outcomes.
General Rates	9	22	2	28	0	0	These waivers were provided in exceptional circumstances to

²⁰ As of 2017-18, there were two Directorates with tax administration responsibilities: the Environment and Planning Directorate for the Lease Variation Charge, and the Chief Minister, Treasury and Economic Development Directorate (ACT Revenue Office and Access Canberra) for all other taxes.

							facilitate the surrender and transfer of leases.
Land Rent	0	0	1	12	0	0	Waiver provided in exceptional circumstances to achieve a positive outcome.
Lease Variation Charge	0	0	0	0	1	394	Waiver provided in exceptional circumstances to achieve a positive outcome.
Total	19	2,205	12	1,891	5	1,902	

All above figures are as per ACT Government data.

Notes:

1. There were no waivers for Land tax, General rates and Land rent in 2017-18.

Waivers of fees and charges

Additionally, Tables A2 and A3 below show the waivers of major fees and charges that were granted in 2017-18, under section 131 of the *Financial Management Act 1996*.

Table A4 below shows the waivers of court fees under section 15 of the *Courts Procedures Act 2004*. Waivers of fees and charges are not counted towards tax expenditures.

Table A2: Chief Minister, Treasury and Economic Development Directorate (Access Canberra) – fee waivers

	2015-16		2016-17		2017-18		Notes
	Number	\$'000	Number	\$'000	Number	\$'000	
Extension of Time fee ¹	3	33	8	132	1	9	Waivers were provided in exceptional circumstances to achieve a positive outcome.
Waiver for Application fee to register and withdraw a caveat	0	0	0	0	405	106	Waivers were provided in exceptional circumstances to achieve a positive outcome.
Total	3	33	8	132	406	115	

1. In the Territory, lessees are required to build on their blocks within a prescribed timeframe. Payment of Extension of Time fees allows lessees extra time to build on a block.

Table A3: Environment, Planning and Sustainable Development Directorate – fee waivers

	2015-16		2016-17		2017-18		Notes
	Number	\$'000	Number	\$'000	Number	\$'000	
Licence application fee	0	0	1	1	0	0	A fee waiver was provided to achieve a positive outcome in exceptional circumstances.
De-concessionalisation of lease fee	1	1,660	0	0	0	0	A fee waiver was provided to Hockey ACT ²¹ in 2015-16 to enable the organisation to become self-sustaining in the future, as well as facilitating a development that

²¹ The Hockey ACT de-concessionalisation fee waiver was reported in the Canberra Times on 23 December 2015.

							will benefit the wider community.
Development application fee	4	604	0	0	0	0	Fee waivers were provided to achieve a positive outcome in exceptional circumstances.
Total	5	2,264	1	1	0	0	

Table A4: Justice and Community Safety Directorate – fee waivers

	2015-16		2016-17		2017-18		Notes
	Number ¹	\$'000	Number ¹	\$'000	Number ¹	\$'000	
Courts and Tribunal transcript fees ²	68	13	63	25	80	30	Waivers are provided by the Registrars of the Courts and the ACT Civil and Administrative Tribunal on a case by case basis, depending on the circumstances, under section 15 of the <i>Court Procedures Act 2004</i> .
Courts and Tribunal fees ²	119	313	115	120	406	315	
Total	187	326	178	145	486	345	

1. Cases of Courts and Tribunal transcript fee waivers and other Courts and Tribunal fee waivers may be related to the same applicant.

ATTACHMENT B – SOCIAL CONCESSIONS AND SUPPORTS

The ACT Government provides a range of social concessions and supports to households in need, as well as to community groups. These policy measures are outside of the tax system and are not tax expenditures.

Table B1 below outlines the social concessions and supports that result in revenue forgone, at a cost of \$189.6 million in 2017-18.

Table B2 below further details the social concessions and supports that were provided by way of direct expenditure, at a cost of \$32.6 million in 2017-18.

The total cost of social concessions and supports was \$222.2 million in 2017-18, an increase of \$8.1 million from 2016-17 (\$214.1 million)²².

Table B1. ACT Government social concessions and supports – revenue forgone¹

Social Concessions and Supports	Revenue forgone \$'000						Notes
	2015-16		2016-17		2017-18		
	Number	\$'000	Number	\$'000	Number	\$'000	
<i>Concessional rent for community groups</i>							
ACT Property Group properties	195	15,840	211	15,972	211	15,972	The ACT Government, through the ACT Property Group, leases Territory owned premises to community groups and not-for-profit childcare centres, either free of charge (often involving a nominal rent such as 5 cents a year) or under concessional rental arrangements. In 2017-18, 135 concessional leases and 76 peppercorn (nominal cost) leases were provided to the community sector.

²² Care should be taken when interpreting the total cost of \$222.2 million. The cost of concessions that involve revenue forgone (\$189.6 million) is estimated, while the cost of concessions that involve direct expenditures is an actual figure (\$32.6 million). They are two different measures and may not be like for like.

Social Concessions and Supports	Revenue forgone \$'000						Notes
	2015-16		2016-17		2017-18		
	Number	\$'000	Number	\$'000	Number	\$'000	
Public housing							
Public housing rental rebate ²	11,250	142,226	11,314	142,151	11,279	144,847	In 2017-18, the Government, through Housing ACT, provided about 10,621 public housing tenancies to Canberrans in need. Additionally, the Government provided 658 subsidised dwellings to the community housing sector, which are in turn on-leased at concessional rates to low income households.
Public housing water consumption costs	-	6,838	-	6,719	-	7,303	The Government does not pass on water consumption costs to public housing tenants. These costs are absorbed by Government. This is in contrast to private landlords in the ACT, who are able to recover water usage charges from their tenants, if separately metered.
Targeted assistance Concessions							
Water and sewage rebate ³	5,691	11,157	5,435	11,051	-	-	From 2017-18, the water and sewage rebate was combined with the energy and utility rebate to form one concession known as <i>Utilities concession</i> . See Table B2 below.

ACTION bus concession ⁴	8,400,000	8,245	6,600,000	9,039	7,200,000	10,245	The Government provides concessional or free bus travel to eligible Canberrans ⁵ . In 2017-18, the Government provided about 7.2 million concessional or free bus trips.
Special Needs Transport Program	400	5,804	476	6,214	394	5,991	In 2017-18, the Government provided special needs transport services to about 394 eligible students who have a disability.
Driver licence fee concession	3,700	503	2,548	314	2,030	370	In 2017-18, the Government provided a driver licence fee concession to about 2,030 eligible Canberrans ⁶ .
Good Driver Discount	22,817	744	23,683	1,004	24,746	1,322	In 2017-18, the Government provided a good driver discount to 24,746 eligible Canberrans ⁷ .
Ambulance transport fee exemption	3,200	2,696	3,327	2,728	4,295	3,522	An ambulance transport fee exemption is provided to eligible Canberrans ⁸ by the Government. The Government provided 4,295 exempt ambulance trips in 2017-18.
Cost of social concessions and supports - revenue forgone		194,053		195,192		189,572	

Notes:

1. Revenue forgone is measured on a total Territory basis, taking into account transactions between the General Government Sector and the Public Trading Enterprises (such as Housing ACT and Icon Water).
2. Rent rebate is also reported in the Community Service Directorate Annual Report 2017-18.
3. From 2017-18, the energy and utility rebate has been combined with the water and sewerage rebate to become one concession known as Utilities Concession. As such no data is available for 2017-18. See Table B2 below for this new concession.
4. ACTION bus concessions are reported in Transport Canberra and City Services Directorate annual reports.
5. ACTION bus – eligibility criteria for free travel: Children under 5; seniors over 70; Veterans Affairs Gold Card holders (totally and permanently disabled); passengers with a visual impairment or senior and concession MyWay card holders (excluding students and tertiary card holders) travelling off-peak period as part of a trial which started 14 January 2017. Eligibility for concessional travel: students; pensioners; Centrelink Health Care Card holders; or Veterans Affairs Gold Card holders.

6. Driver licence fee concession – eligibility criteria: pensioners; Veterans Affairs Gold Card holders; and Centrelink Health Care Card holders who are unemployed.
7. ACT residents are eligible to receive a 30 per cent discount on their ACT driver licence renewals if they have no relevant traffic offences recorded in the previous 5 years.
8. Ambulance transport fee exemption – eligibility criteria: school students; pensioners; and people who are injured in certain circumstances, e.g. motor vehicle accidents.

Table B2 below shows the social concessions and supports funded by way of direct expenditure. The Government pays the respective service providers for the delivery of these programs.

Table B2. ACT Government social concessions and supports – direct expenditures¹

Direct expenditures	Costs (\$'000)						Notes
	2015-16		2016-17		2017-18		
	Number	\$'000	Number	\$'000	Number	\$'000	
Energy and Utilities Rebate	28,700	13,892	31,500	14,595	-	-	The Government provided a rebate on electricity bills (of up to \$426 a year) to eligible households to assist them with their cost of living. From 2017-18, the <i>energy and utility rebate</i> was combined with the <i>water and sewerage rebate</i> to become one concession known as the <i>Utilities concession</i> , reported below.
Utilities Concession ²	-	-	-	-	29,932	27,117	The Government provide a Utilities concession (water and sewage rebate and energy and utility rebate) to eligible households, and to community organisations as part of our Community Service Obligations ³ to assist them with their cost of living. This rebate benefited about 29,932 eligible households in 2017-18 ⁴ .
Life Support Rebate	2,342	285	2,394	291	2,714	330	The Government provided a rebate on electricity bills (up to \$122 a year) to about 2,714 eligible Canberrans in 2017-18. This rebate supports Canberrans who require extra electricity usage for life support equipment at home.
Taxi Subsidy Scheme	91,000	1,851	95,183	1,604	101,196	2,383	The Government subsidises taxi travel for eligible Canberrans who have severe activity limitations. The percentage of subsidy

							depends on the type of disability, capped to a maximum amount \$24 per trip for those receiving 50 per cent subsidy and \$37 per trip for those receiving 75 per cent subsidy in 2017-18. In 2017-18, the Government subsidised about 101,196 taxi trips.
Funeral Assistance Program	52	248	47	253	34	272	The Government subsidises the costs of funerals for households who are in a financial hardship. This program allows families to have simple dignified funerals. In 2017-18, the Government financially contributed to 34 funerals.
Spectacles subsidy ⁵	11,500	1,803	10,057	2,135	13,252	2,465	In 2017-18, the Government provided subsidies to about 13,252 eligible Canberrans for the costs of their spectacles. ⁶
Cost of concessions and supports - direct expenditures		18,079		18,878		32,567	

Notes:

1. Direct expenditures do not include the costs to the Government to run these programs, such as staffing and overheads.
2. From 2017-18, the energy and utility rebate has been combined with the water and sewerage rebate to become one concession known as *Utilities concession*.
3. Water and sewerage rebate – eligibility criteria: pensioners; Centrelink Low Income Health Care Card holders; Veterans Affairs Gold Card holders; or asylum seekers.
4. Energy and utility concessions are available to pensioners and Centrelink Low Income Health Care Card holders. The usage rate may not capture people who receive both the life support rebate and the energy and utility rebate.
5. Spectacle subsidy includes: the ACT Spectacles Subsidy Scheme, the ACT Senior Spectacles Scheme, and the Low Vision Aids Scheme. The ACT Seniors Spectacle Scheme was abolished from 1 July 2018.
6. The ACT Spectacles Subsidy Scheme is available to pensioners and Centrelink Healthcare Card holders. The ACT Senior Spectacles Scheme is available to Seniors Card holders. The Low Vision Aids Scheme is available to Canberrans with degenerative eye conditions.



ACT
Government

Chief Minister, Treasury and
Economic Development

ACT Treasury

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