

BUDGET 2016-17



SUPPORT FOR LOW-INCOME HOUSEHOLDS – CONCESSIONS SCHEME

As part of the 2016-17 Budget, the ACT Government is making an unprecedented investment to make sure the most vulnerable members of our community receive the help they need. This includes investing an extra \$35 million over four years into the concessions program.

Concessions play an important role in supporting around 30,000 Canberra households and the need for support is increasing.

This \$35 million funding boost reflects the Government's commitment to a fairer, more sustainable and more accessible concessions program that targets support to those Canberrans who need a helping hand most.

The ACT Government offers numerous concessions, including concessions for electricity, gas and water bills, household rates, public transport, motor vehicle registrations, driver licences, taxis, spectacles and funeral assistance. Most of these aren't changing, and Canberrans will continue to have access to these concessions. Changes are outlined below.

WHAT IS CHANGING

MORE SUPPORT FOR LOW-INCOME FAMILIES WITH THEIR UTILITY BILLS

In order to make concessions accessible to more households, the energy and utility concession and the water and sewerage rebate will be combined into one concession from 1 July 2017.

About 30,000 households are currently able to access the maximum energy and utility concession of \$426.46 per year – this concession is available to home owners and non-home owners. However, only half of these households also have access to the water and sewerage rebate of \$424.54 per year. Households miss out on this concession because they rent their home and therefore don't pay water and sewerage bills, even though for many the cost of water will be factored into the rent they pay. These households are primarily in the lowest income quintiles and have least capacity to meet cost of living expenses.

From 2017-18, extra relief will be provided to eligible renters by combining the two concessions into the one Utilities Concession. The maximum rebate

is expected to be just over \$600 per household, with the exact amount to be confirmed prior to implementation.

This change does not affect life support rebates.

The tables below show the total utilities concessions currently available each year to different household types, compared to the total utilities concessions available once the combined Utilities Concession is introduced.

New combined Utilities Concession – from 1 July 2017

Renter (Public or Private)	600
Own home outright/Mortgage	600

Current utilities concessions

Renter (Public or Private)	426
Own home outright/Mortgage	850

SENIORS CARD

The Seniors Card is currently available to all ACT residents aged 60 and over who are retired or work less than 20 hours per week.

The eligibility age for the ACT Seniors Card will be gradually increased to 65 years by 1 July 2025.

From 1 July 2017, the eligibility age will increase to 61 years, then increase by one year every two years until 2025. The following table indicates the age applicants must be to apply:

Date of birth	Eligibility age
Before 1 July 1957	60 years
1 July 1957 to 30 June 1958	61 years
1 July 1958 to 30 June 1959	62 years
1 July 1959 to 30 June 1960	63 years
1 July 1960 to 30 June 1961	64 years
After 30 June 1961	65 years

UNCAPPED GENERAL RATES CONCESSIONS

The ACT Government is making changes to general rates concessions to make the scheme fairer. It will do this by reducing the gap between the 'uncapped' and 'capped' schemes over time.

The ACT currently has two schemes for general rates concessions – 'uncapped' and 'capped'. The 'uncapped' scheme applies to persons who were eligible for this concession on 30 June 1997 (around 3,000 households). They receive a 50 per cent rebate on their general rates.

The 'capped' scheme covers all other recipients (around 12,000 households). They receive a rebate of half of their general rates up to the rebate cap of \$700.

From 1 July 2016, the 'uncapped' scheme will be frozen at 2015–16 levels where the value exceeds the rebate cap. Other households will continue to receive a 50 per cent rebate on their general rates up to a maximum of \$700.

This change will be implemented gradually and will freeze the level of concession currently available to those on the 'uncapped' scheme in order to minimise the impact on households.

No changes will be made to the 'capped' scheme and the rebate cap will remain at \$700 in 2016–17. In addition, the amount of the Fire and Emergency Services Levy rebate will remain unchanged at \$98.

What if I move?

If you belong to an 'uncapped' household and are moving to a different property, your concession will remain the same or be 50 per cent of the general rates for the new property, depending on which is lower.

For example, a pensioner on the 'uncapped' scheme has their concession frozen at \$1,200. If they move to a different property with a rates assessment of \$2,000, then their maximum concession will be \$1,000 (half of \$2,000). If they had moved to a property with a rates assessment of \$2,500, their maximum concession would remain at \$1,200.

WHY ARE THE CHANGES HAPPENING?

The ACT Government is investing a further \$35 million over four years in the 2016–17 Budget to ensure that relief is reaching the households in most need of help. It wants to create a fairer, more sustainable and more accessible system to support vulnerable Canberrans into the future.

The additional investment will provide for future increases in demand and help to offset Commonwealth funding reductions.

Following a review of the concessions program, the community was given the opportunity to have its say on how to improve the fairness and targeting of the program.

Community feedback highlighted the important role that concessions play in supporting those most in need, and raised concerns that reducing concessions could adversely impact on the most vulnerable households. This feedback informed the Government's decision to boost the concession program over the next four years.