



# Concessions 'haphazard'

## Groups unite to call for national review

by **KIRSTY STEIN**

SENIORS across Australia are being disadvantaged by a haphazard concessions system which leaves low-income people in some areas with much higher living costs, while councils struggle to meet the changing infrastructure needs of an ageing population.

Councils and seniors' groups have united in a call on federal and state governments to review the system to help reduce living costs for older people and maximise the funds available for local government to create age-friendly communities.

The Council on the Ageing made the issue a priority in its submission to last month's Tax Forum.

Chief executive Ian Yates said concessions were inequitable in that they benefited people with relatively higher income and assets, while those with lower incomes missed out.

Eligibility criteria was inconsistent across the three levels of government.

"It's a complex issue," he said.

"COTA is recommending the government commission a thorough review of the concession system looking at what is offered, who is eligible, who receives the most benefits and who misses out."

He said the review should also look at alternative ways of delivering support, including incorporating equivalent payments into the

income support system.

Mr Yates' call supports moves by the Australian Local Government Association to alleviate the pressures created as more residents nationwide become eligible for rates concessions, weakening the revenue base for councils at a time when they need to build better infrastructure to cope with an ageing population.

The association's tax reform submission said local government fully supported the principle of assisting people who genuinely couldn't pay rates, however the setting of pensioner concessions by state governments restricted the sole revenue source for councils, particularly when combined with limitations on rates charged.

The association argued that concessions should be funded through income tax revenue and income redistribution.

"It can be expected that into the future an increasing percentage of local community populations will become entitled to these concessions which, if not adequately funded, will add to the financial pressures affecting local government," the submission said.

Currently pensioners in Queensland receive a rates subsidy of \$200 per year; in Victoria a discount of up to \$193.40 a year; in NSW a rebate of up to 50 per cent up to a maximum of \$250 per annum; in Tasmania a 30 per cent

rebate; in WA up to 50 per cent rebate; and in South Australia a rebate of \$190 or 60 per cent of their bill, whichever is the lowest.

In all states except NSW, the state government reimburses local government the full cost of the mandatory pensioner concessions, however some councils also offer voluntary concessions in their local area.

In NSW, councils are reimbursed 55 per cent of the mandatory concession.

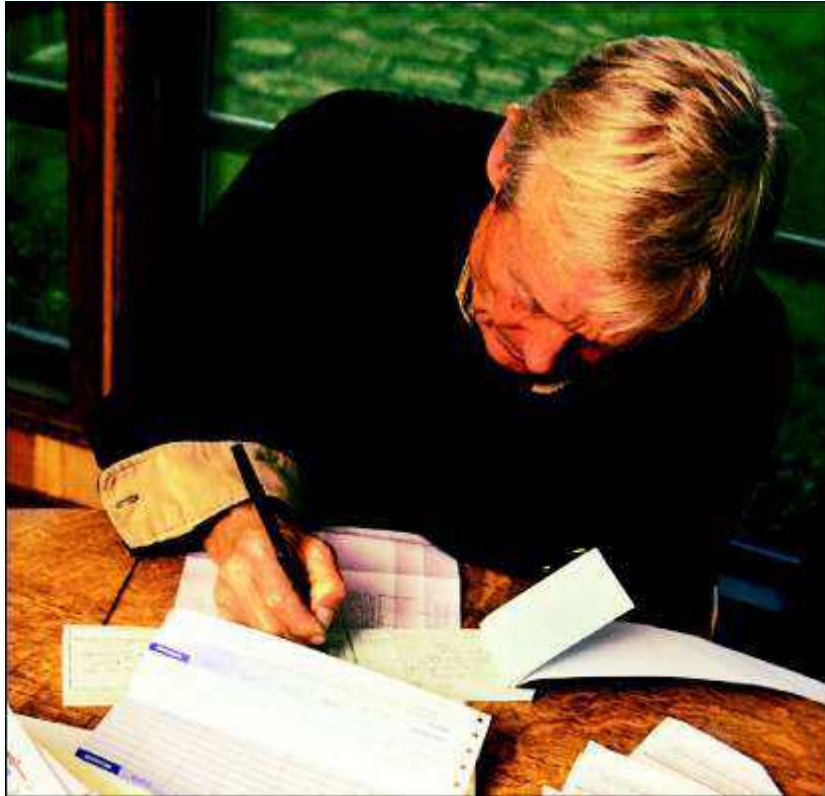
NSW Shires Association president Ray Donald said older people often made a vital contribution to their local communities, however population ageing posed a challenge for councils as growing numbers of residents eligible for rates concessions ate into their revenue stream.

"Reduced revenue for councils due to the fact that pensioners are entitled to a rebate on their rates was one of the key issues highlighted in the State Government's recent Local Government and Ageing research report," he said.

"Councils have a very narrow taxation base - mainly consisting of rates - to pay for hundreds of key local services.

"We simply don't have the revenue base available to fund welfare and income support measures."

Mr Donald said it was unfair that communities with a higher concentration of seniors had to shoulder extra costs.



**LEVEL GROUND** – Seniors groups want to see a national approach to concessions to help reduce living costs.