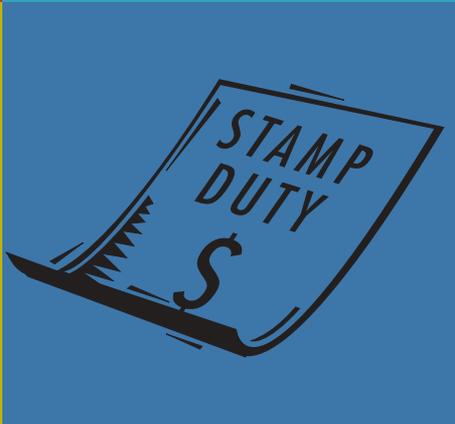


State concessions 2001–2002

Helping lower income Victorians afford essential services



State concessions 2001–2002

**Helping lower income
Victorians afford
essentials**

**An annual report from
the Concessions Unit,
Department of Human
Services**

Produced by the Concessions Unit
Community Care Division
Department of Human Services
Melbourne Victoria

November 2002

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Department of Human Services 2002

Also published on www.dhs.vic.gov.au

(0611002)

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Introduction

Over 700,000 households benefit from Victorian Government concessions.

Pensioners, unemployed families and single people, incapacitated veterans and war widows and other people living on low and fixed incomes gain through lower taxes, charges or bills.

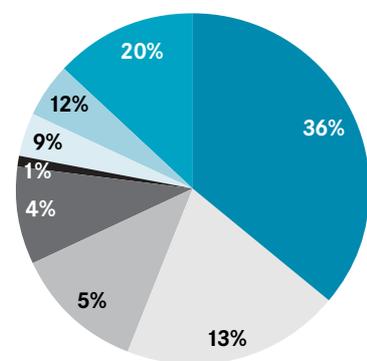
The objective of concessions is to improve the affordability of key services—those upon which people rely to maintain their housing, health, mobility and their participation in education and social life.

Who benefits?

Concessions are generally directed to people who have been assessed by the Commonwealth Government as having a sufficiently low income to qualify for a Pensioner Concession Card or a Health Care Card. They are also provided to holders of some Department of Veterans' Affairs (DVA) Repatriation Health Cards (Gold Cards).

It is estimated that 27 percent of the Victorian population, or 1.26 million Victorians, hold a concession card.

Figure 1: Victorian concession cards



Age pensioners	457,000
Unemployed	256,000
Disability pensioners	148,000
Parents and carers	116,000
Students	10,000
DVA pensioners	54,900
Other DVA clients	57,020
Low income earners	167,000
Total	1,265,920

Funding

All concessions are paid for by the Victorian Government.

About half of the concessions are directly funded by the State Government and delivered as discounts on bills by providers of these services, such as electricity and gas retailers, water suppliers and local governments. These concessions are mostly managed and coordinated by the Concessions Unit of the Department of Human Services.

In other cases, the provision of concessions results in the relevant government department gaining less revenue, such as is the case with health concessions and tax concessions.

This report

This report provides information regarding the contribution made by the Victorian Government to supporting lower income Victorians during 2001–02.

Concessions that support spending on housing, utilities, transport, education and health are detailed in this report.

The report does not cover every concession offered by the State Government or by local governments. For example, concessions on recreational facilities such as parks and fishing licences, and the firewood licence concession are not included. A comprehensive listing of concessions and discounts for low income people is available in the *Guide to Concessions in Victoria: Assistance for People on Low Incomes*, published by the Department of Human Services.

A number of hardship relief schemes are detailed in this report. These schemes assist low income households experiencing financial hardship. Other community service obligation arrangements are also outlined, which complement concessions and ensure that people with very high needs can obtain support when they need it.

Finally, this report briefly outlines the work of the Concessions Unit and its publications and information services.

Figure 2: State concessions coordinated by the Department of Human Services at a glance: 2001–2002

	Output 2000–2001	2001–2002	Expenditure 2000–2001	2001–2002
Water and sewerage	516,014 households*	516,218 households*	\$59.6 million	\$60.3 million
Municipal rates	391,567 households*	396,300 households*	\$52.2 million	\$53.2 million
Energy concessions	718,565	685,231	\$75.3 million	\$74.4 million
Mains electricity	households*	households*		
Mains gas				
Non-mains energy				
Public transport	N/A	N/A	\$58.7 million	\$61.5 million
Total			\$245.8 million	\$249.4 million

* The number of households is an estimate only.

N/A Number of concession cardholders accessing trips is not collected.

Other State Government funded concessions at a glance: 2001–2002

	Output 2000–2001	2001–2002	Expenditure 2000–2001	2001–2002
Vehicle registration	705,838 registrations	727,209 registrations	\$98.8 million	\$183.6 million
Transport Accident Commission (TAC)	482,137 individuals	503,466 individuals	\$70.6 million	\$75.9 million
Stamp duty	2,658 individuals	2,536 individuals	\$3.5 million	\$3.2 million
Health	Δ	Δ	\$274.7 million	\$282.4 million
Education maintenance allowance	146,597 individuals	146,777 individuals	\$33.5 million	\$40.1 million

Δ Estimate of cardholders accessing health concessions cannot be derived, as there are multiple service users.

Hardship and other related programs: 2001-2002

	Provided to: 2000–2001	2001–2002	Expenditure: 2000–2001	2001–2002
Utility Relief Grant Scheme	9,989 grants	8,496 grants	\$3.3 million	\$2.7 million
Trustees services	12,308 clients	12,308 clients	\$5.2 million	\$5.5 million

Concessions on essential services

1. Housing

The Victorian Government provides pensioner home owners with concessions on municipal rate charges and assists low income home buyers of a modest home with the affordability of stamp duty.

Municipal rates and charges

Pensioners are entitled to a discount of 50 per cent on municipal rates and charges up to a maximum of \$135 a year.

The *Local Government Act 1989* governs the provision of the Municipal Rate Concession.

The concession is available only to holders of the following concession cards

- Pensioner Concession Card
- Department of Veterans' Affairs War Widow Gold Card
- Department of Veterans' Affairs TPI Gold Card.

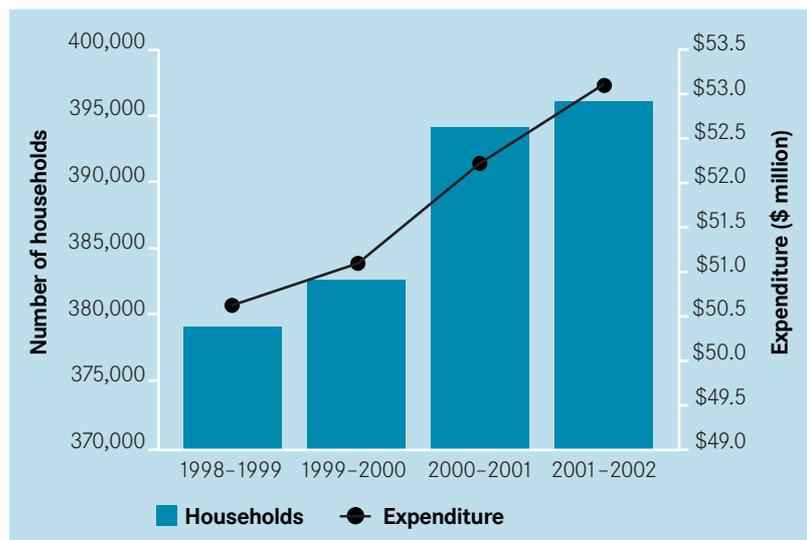
In 2001–02, it is estimated that 396,300 households claimed the concession. This is a 0.4 per cent increase on the previous financial year.

The value of concessions delivered totalled \$53,150,000, up 2 per cent on 2000–01.

The average value of the concession was \$134.10, reflecting the fact that more than 96 per cent of claimants receive the maximum rate of concession.

The following graph highlights the steady growth in households claiming the concession and in Municipal Rate Concession expenditure over the last four financial years. During that time household and expenditure growth has increased on average by 1.5 per cent each year. This growth is consistent with increases in the Victorian pensioner population.

Figure 3: Municipal rates, households and expenditure, 1998–1999 to 2001–2002



Key features

- Municipal rate concession expenditure increased by 2 per cent.
- More than 96 per cent of concession recipients obtained the maximum rate of concession.

Stamp duty benefits for home buyers

Exemption from stamp duty is available to home buyers who hold a concession card at the time of purchasing a home. Qualifying homes include both new and existing residences and the home must be ready for occupancy and be the principal place of residence.

The State Revenue Office, the Government's tax collection agency, administers a range of taxes and duties. One of these is stamp duty on real estate purchases.

Concession cardholders may be entitled to:

- A full exemption or refund of stamp duty if the value of the real estate is \$100,000 or less.
- A partial exemption of the stamp duty payable if the real estate value exceeds \$100,000 but is not more than \$150,000. The partial exemption is calculated on a reducing scale.

Significant increases in property values over recent years have resulted in a lower level of claims through this program. As a result, amendments were implemented to the *Duties Act 2000* with the effect to broaden the duty exemptions as from 1 July 2002.

In 2001–02, 2,536 concession cardholders accessed stamp duty benefits. The total value of the stamp duty exemptions provided was \$3,199,167.

2. Household services

Household services such as water and energy are essential for the wellbeing of individuals and families. Concessions on these services are administered and funded by the Department of Human Services and delivered by energy retailers and water suppliers.

Water and sewerage

This concession assists low income households with the affordability of household water and sewage disposal.

Concessions are available to holders of a Pensioner Concession Card, Health Care Card and Gold Cards.

- Home owners who hold a Pensioner Concession Card, TPI Gold Card or a War Widow Gold Card are eligible for concessions of 50 per cent, up to a maximum of \$67.50 per year, on service and volumetric charges.
- Other cardholders such as Health Care Card holders and tenants with a Pensioner Concession Card, are eligible for concessions of 50 per cent, up to a maximum of \$67.50 per year, on volumetric charges, and where applicable up to \$67.50 for sewerage charges.

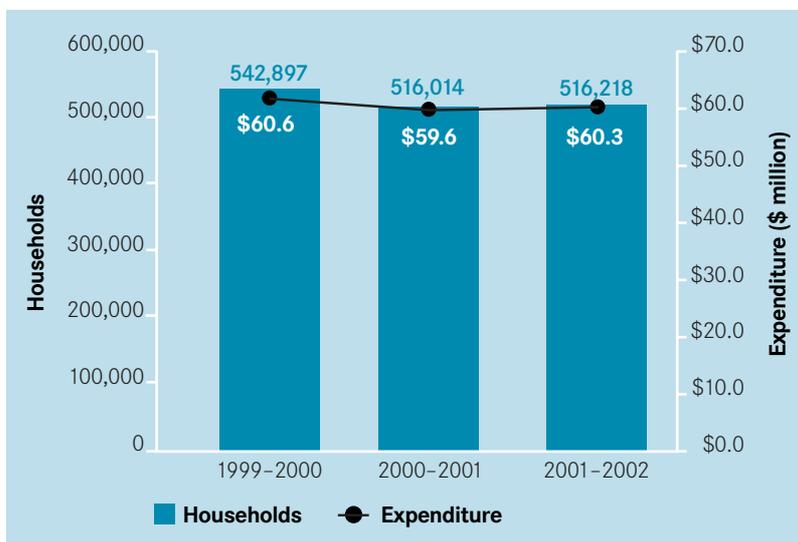
In 2001–02, concessions to the value of \$60.25 million were delivered to 516,218 households. Concession expenditure increased by 1 per cent since the previous financial year, with the number of households receiving a Water and Sewerage Concession increasing only by a small margin of 0.04 per cent.

The average value of the concession was similar to last year at \$115. This reflects the fact that many households receive the maximum concession.

Key features

- Water and sewerage concession expenditure increased by 1 per cent.
- The number of households claiming Water and Sewerage Concessions experienced a marginal increase of 0.04 per cent in 2001–02.

Figure 4: Water and Sewerage Concessions, households and expenditure, 1999–2000 to 2001–2002



Mains energy concessions

The State Government offers several concessions to assist low income households with residential electricity and natural gas bills.

The concessions include:

- Winter Energy Concession (WEC) on electricity
- Winter Energy Concession on gas
- Group Homes Winter Energy Concession
- Life Support Concession
- Summer Multiple Sclerosis Concession
- Service to Property Charge Concession
- Electricity Transfer Fee Waiver Concession
- Off-peak Electricity Concession

The energy concessions are delivered as a discount on bills by the various energy retail businesses, in accordance with the community service obligation agreements between the Department of Human Services and the retail business.

Winter Energy Concession

The Winter Energy Concession is applicable to mains electricity and mains gas accounts. The objective of the concession is to assist low income households with the cost of their winter energy bills, which are generally higher in the colder months.

The concession provides a 17.5 per cent reduction on the two electricity bills and three gas bills that are issued to households between May and November.

In 2001–02, the number of Victorian households receiving the WEC on electricity was 685,231, a decrease of 4.8 per cent on 2000–01.

The decrease in the number of households receiving the concession is attributed to some significant reductions in the number of concession card households claiming the concession in the Pulse Energy retail area (22 per cent reduction) and the Origin Energy retail area (5 per cent decrease).

These reductions may be associated with data collection difficulties given changes in billing systems.

Those receiving the WEC on gas totalled 531,637, an increase of 3.6 per cent since last year. This increase may be attributable to the expansion of the reticulated gas network to some rural areas of Victoria, such as Mildura and parts of East Gippsland.

Expenditure on the electricity WEC in 2001–02 reduced marginally to \$37,169,632, a decline of 0.7 per cent. The average winter electricity concession claim was \$54.

The gas WEC expenditure decreased at a greater rate of 3.6 per cent, falling to \$31,567,681. The average winter gas concession claim was \$59.40.

Overall, WEC expenditure decreased by 2 per cent in 2001–02, totalling \$68,737,313.

This decrease is attributed to a change in the method used by some energy retailers in applying the winter concession. The pro-rata method of

calculation used by Origin Energy and TXU Gas and Electricity has resulted in lower expenditure towards the end of the financial year, than would have otherwise have been the case if the old method was continued. However, the total expenditure over the winter period should not be affected by the new method of calculation.

The Department of Human Services provides service delivery fees to energy retailers who deliver concessions on behalf of the State Government. Service delivery fees totalling \$1,672,438 (inclusive of GST) were paid to energy retailers.

Figure 5: Winter Energy Concession expenditure, 1999–2000 to 2001–2002



Group Homes Winter Energy Concession

The Group Homes Winter Energy Concession assists low income individuals residing in homes owned by voluntary, non-profit organisations.

Eligible organisations are those that provide long term accommodation to individuals who hold a concession card. While the energy accounts for the home are in the name of the organisation, the payment of the accounts are the responsibility of the concession cardholder/s.

Those individuals that qualify receive a 17.5 per cent reduction on the winter electricity and winter gas bills, in the same way as other concession households.

In 2001–02, 34 organisations received the Group Homes Winter Energy Concession. Expenditure for this concession is accounted for under the Winter Energy Concession category.

Life Support Concession

The Life Support Concession provides assistance with the high energy costs associated with the operation of eligible life support machines.

The concession is designed to reduce the substantial cost impact that the operations of the certain life support machines has on the household electricity bill.

Life support machines that are eligible for the concession are oxygen concentrators, haemodialysis machines, peritoneal dialysis machines and ventilators for life support.

The concession value is equivalent to the cost of 1880-kilowatt hours of electricity per annum, and is applied on each quarterly electricity bill.

Expenditure totalled \$626,873 in 2001–02, a 7 per cent rise since the previous year.

Summer Multiple Sclerosis Concession

This concession assists eligible individuals with the relatively high costs of summer electrical cooling.

The Summer Multiple Sclerosis Concession is provided to individuals who suffer from Multiple Sclerosis and other qualifying medical conditions. It recognises that these persons have a diminished capacity to regulate their own body temperature and as a consequence require the use of electrical cooling during the warmer summer months.

The concession is a 17.5 per cent discount on the final quarterly summer bill that is issued by the electricity retailer between mid-February to mid-May.

People who suffer from other medical conditions that result in the body's inability to regulate its own temperature also qualify for the concession. Such medical conditions include motor neurone disease, Parkinson's disease, quadriplegia, post polio syndrome, systemic lupus erythematosus and scleroderma.

In 2001–02, 1,887 households claimed the concession. Concession expenditure totalled \$62,985, an increase of 19 per cent since the previous year. This substantial increase is attributable to increased public knowledge of the availability of the concession to people who suffer from conditions that are similar to Multiple Sclerosis.

Service to Property Charge Concession

This concession is provided on electricity accounts where the usage charge is less than the service to property or supply charge.

Generally the concession is applied in situations where the household occupants have been absent from the home for a significant portion of the billing cycle and have therefore experienced low usage.

People who are most likely to receive the concessions are aged pensioners who have holiday homes, pensioners who stay with family or friends for extended periods of time, or elderly pensioners who are hospitalised or resided in respite care for a considerable period.

The concession is available on all quarterly bills, if applicable.

Total expenditure for this concession in 2001–02 was \$1,686,064, representing an increase of 9 per cent.

The Electricity Transfer Fee Waiver Concession

The Electricity Transfer Fee Waiver concession assists low income individuals who change their residential address.

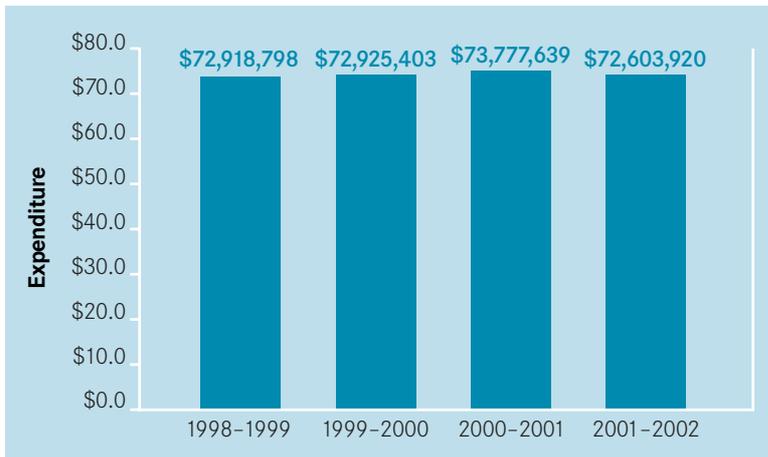
Electricity retailers charge a connection fee of approximately \$20 to \$25 to reconnect electricity to a property. This fee is waived for eligible concession cardholders and paid by the State Government.

Transfer fee waiver concession expenditure totalled \$1,490,685 in 2001–02, an increase of 6 per cent since the previous financial year.

Figure 6: Mains Energy Concessions expenditure, 2000–2001 and 2001–2002

	2000–2001	2001–2002
Winter Energy Concession	70,194,639	68,737,313
Life Support	583,425	626,873
Multiple Sclerosis	52,989	62,985
Service to Property	1,541,848	1,686,064
Electricity Transfer Fee Waiver	1,404,738	1,490,685
Total	73,777,639	72,603,920

Figure 7: Mains Energy Concessions expenditure, 1998–2002



Developments– New Off-peak Electricity Concession

The Off-peak Electricity Concession was introduced in 2001–02, in response to the significant increase in off-peak electricity tariff prices by all retailers, as approved by the State Government in January 2002.

The new concession is designed to reduce the impact of the high off-peak price rises for pensioners and other concession cardholders. The concession decreases the off-peak component of each quarterly electricity bill by 13 per cent.

Key features

- The number of households receiving the mains gas concession increased by 4 per cent.
- Life Support Concession expenditure increased by 7 per cent.
- Summer Multiple Sclerosis concession expenditure increased by 19 per cent.
- Service to Property Charge concession expenditure increased by 9 per cent.
- The new Off-peak Electricity Concession was developed.

Non-mains energy

The Non-mains Winter Energy Concession provides a rebate for households that are dependant on non-mains energy sources for their domestic power, heating or hot water.

The concession is available to people who use \$120 or more of Liquefied Petroleum Gas (LPG) during the course of the calendar year, and/or to people who are individually metered for electricity by a caravan park or an accommodation proprietor rather than an electricity retailer.

Applicants must lodge an application for the concession with their local council or, where the council is not able to deliver the scheme, to the Concessions Unit.

In 2001, the rebate amount increased to \$79—a rise of 20 per cent on the 2000 rebate value of \$66. This rebate increase was attributed by the continuing increases in LPG prices.

In 2001–02, the concession was most heavily accessed by rural concession cardholders in the local government areas of Bass Coast, Yarra Ranges, Mildura, Mornington Peninsula and Macedon Ranges.

In 2001–02, a total of 22,560 rebates were claimed. This represents a decrease of 5 per cent since the previous year. Claims from the local government areas of Mildura and Bass Coast declined by 19 per cent and 10 per cent respectively.

Non-mains Winter Energy Concession expenditure totalled \$1,782,240 in 2001–02, an increase of 14 per cent.

Figure 8: Non-mains Winter Energy Concession 1998–2002

	Number of rebates	Amount paid (\$)
1998–1999	20,630	990,240
1999–2000	20,810	998,880
2000–2001	23,731	1,566,246
2001–2002	22,560	1,782,240

3. Transport

The State Government provides concession fares on public transport as well as discounts or exemptions on charges associated with owning a car.

Public transport

[The State Government provides concession fares on metropolitan and country public transport services.](#)

Public transport concessions are designed to improve the affordability of transport services for low income individuals.

The concessions are directed to all pensioners and those Health Care Card holders who receive an unemployment-related benefit from the Commonwealth Government. This includes Newstart Allowance, Widow Allowance, Sickness Allowance, Special Benefit and the Youth Allowance (unemployed youth only).

The concession fares that are available to cardholders are:

- A reduction of approximately 50 per cent on all metropolitan transport regulated fares. This includes concessions on two-hour, daily, weekly, monthly and yearly tickets across all three metropolitan transport zones.

- A 50 per cent reduction on all V/Line ticketed country transport services.

In addition to the concessions, there are also discount travel provisions for senior Victorians, children aged under 15, students, World War 1 veterans and their wives/widows and some disabled war veterans.

Pensioner Concession Card holders also receive:

- A rail voucher that entitles them to one free economy return journey within Victoria each year.

- The prevailing pensioner concession fare in all interstate capital cities. Reciprocal concession arrangements exist across all states and territories for the provisions of these concession fares.

Tertiary students and secondary school students aged 15 years and above can also gain access to concession fares.

Tertiary students holding a Tertiary Student Concession Card are entitled to concession fares. The card is available to tertiary students enrolled in an Austudy approved course and who satisfy various criteria. In 2002, the yearly cost of the card is \$76.80.

Concession fares are available to secondary school students aged 15 years and over who obtain a Secondary Student Concession Card. The card is available to students at a yearly cost of \$7.30.

Other State Government public transport provisions are:

- Discount fares to Victorian Seniors Card holders. The card is available to persons aged 60 and above who no longer participate in the full-time workforce. The Sixty Plus discount fare allows senior Victorians to daily travel throughout all three metropolitan transport zones, on all transport services, at a daily cost of \$2.55.
- Various travel entitlements are available to war veterans. World War 1 veterans and their wives or widows, and limbless and disabled soldiers are entitled to free travel on all metropolitan transport services and on V/Line ticketed services.
- Vision impaired persons are eligible for the Victorian Vision Impaired Travel Pass. This pass entitles the holder to free travel on all train, tram and bus services throughout Victoria. Holders of the pass are entitled to travel interstate at the State's prevailing concession rate.

The various private companies that are franchised to provide train, tram or bus services are required to provide concession fares to eligible commuters. This is specified in the franchise agreements between the State Government and the private operators.

In 2001–02, the Department of Human Services provided \$55.4 million of funding towards the cost of the train and tram concessions and a further \$6.1 million towards concessions on privately operated bus services. These funds are transferred on a quarterly basis to the Department of Infrastructure.

The State Government makes a number of variable payments to the franchise operators to reimburse them for contractual obligations. Such obligations include the requirement to provide eligible concession cardholders with reduced ticketing prices, to carry certain other groups, such as vision impaired persons, free of charge and to provide additional services for special events.

In 2001–02, the State Government provided concession fare top-up payments to franchise operators totalling \$45.5 million.

Motor vehicle registration concessions

Fees for the registration of motor vehicles are waived for holders of an eligible Commonwealth concession card.

VicRoads administers motor vehicle registration concessions for pensioners, Health Care Card holders and Gold Card holders.

In 2001–02, VicRoads provided 727,209 eligible concession cardholders with the registration concession. This represents an increase of 3 per cent from the number of concession registrations provided last financial year. The amount of revenue foregone for the provision of this concession totalled \$183.6 million.

Transport Accident Commission insurance charge concession

Pensioners and DVA Gold Card holders are entitled to a concession on the Transport Accident Commission (TAC) insurance charge.

The TAC is a Victorian Government organisation that pays for the treatment and benefits for people injured in transport accidents. The funds used to perform these functions are derived from payments made by Victorian motorists when they register their vehicles each year with VicRoads.

The concession provides a 50 per cent reduction on the TAC insurance charge that is included on all vehicle registration renewal notices issued by VicRoads.

In 2001–02, the concession was provided to 503,466 eligible individuals—an increase of 4 per cent since the previous financial year. Expenditure for the provision of this concession was \$75.9 million.

4. Education

A number of education concessions are available to Victorian students and to parents or guardians of students. The Department of Education, Employment and Training administers these concessions.

Schooling

The Victorian Government provides the Education Maintenance Allowance (EMA) to assist low income families with the costs of their child's education.

The Department of Education and Training administers the Education Maintenance Allowance, which is paid to parents and guardians of primary and secondary school students up to the age of 16. The parent/guardian must be the holder of a Pensioner Concession Card, Health Care Card (excluding the non-means tested cards) or a Department of Veterans' Affairs TPI Gold Card. The allowance is also payable to foster parents.

The allowance is paid in two instalments; at the commencement of term one and the commencement of term three. Half of the allowance is paid directly to the parent and the other half to the school that the child attends.

In 2002, the instalment split payable to the parent was changed. Parents now receive 70 per cent of the payment at the commencement of term one and the remaining 30 per cent at the commencement of term three.

Schools receiving Education Maintenance Allowance contributions are required to spend the allowance only on items such as student stationery, materials for student electives and excursions that are related to the curriculum.

In 2001–02, 146,777 allowances were provided to low income parents, a marginal increase of 0.1 per cent since the previous financial year. Total expenditure for the allowance was \$40.1 million, an increase of 20 per cent that reflects the increase in the share of the allowance contribution directed to the parent.

5. Health

The Victorian Government provides a wide range of health service in hospitals, community health centres, specialist advisory and treatment centres, and through outreach teams. Almost all services are free for all Victorians. However, some services charge fees, so there are concessions to make the services more affordable for people living on a limited income.

Community health programs

[The Victorian Government provides a range of allied health care services that are designed to improve the physical, mental and social wellbeing of Victorians.](#)

The provision of these services reduces the requirements for hospital and other specialist health services.

The services provided include clinical assessment, early identification and intervention, treatment, therapy and professional advice. Allied health centres are provided statewide at local community health centres and are available

to all individuals. The services are government-subsidised so as to be affordable for concession cardholders and other low income earners.

Allied health services include podiatry, occupational therapy, speech therapy, dietetics, physiotherapy, audiology, nursing and counselling.

In 2001–02, approximately \$50 million was allocated towards the cost of allied health services for concession cardholders.

In the 2000–01 Annual Report, it was stated that \$92.2 million was spent on allied health programs for concession cardholders. However this was the total expenditure on allied health services for all clients.

Dental health concessions

The Victorian Government provides public dental services to concession cardholders and school students.

The Community Dental Program provides emergency, general and denture services to concession cardholders and their dependants at approximately 60 community dental clinics located statewide, and at the Royal Dental Hospital of Melbourne.

In 2001–02, 168,736 concession cardholders accessed the Community Dental Program. Total expenditure for the program was \$40.9 million, an increase of 6 per cent since the previous year.

Concessions cardholders can also access specialist dental care services that are provided by the Royal Dental Hospital. In 2001–02, a total of 13,062 concession cardholders accessed specialist dental care services, at a total cost of \$6.8 million, 15 per cent greater than the cost in 2000–01.

The School Dental Service provides regular care to all primary school students and to secondary school students who are dependants of concession cardholders, and to school leavers under the age of 18 who hold, or whose parents hold, a concession card. In 2001–02, 122,935 young people accessed the service with expenditure totalling \$15.7 million. School dental service expenditure increased by 11 per cent since the previous financial year.

Ambulance Concessions

The Department of Human Services funds the Metropolitan Ambulance Service and Rural Ambulance Victoria to provide medically necessary ambulance transportation free to pensioners and Centrelink Health Care Card holders who do not have access to another entitlement through other Government agencies.

This concession is important to low income households due to the high costs they would otherwise incur when using ambulance services in the event of an emergency.

The ambulance concession covers all medically necessary ambulance transport services, including the air ambulance service.

In 2001–02, 297,246 concession cardholders accessed ambulance services. Approximately three quarters of these accessed the Metropolitan Ambulance Service, and the remaining 25 per cent accessed services through Rural Ambulance Victoria.

The total value of the services was estimated at \$169 million.

Hardship assistance

6. Utility Relief Grant Scheme

The Utility Relief Grant Scheme provides assistance for eligible people who have difficulty paying an energy or water debt as a result of an unforeseen financial crisis.

The Utility Relief Grant Scheme, administered by the Concessions Unit, is designed to provide once-off assistance to concession cardholders who are unable to pay a utility bill due to a temporary financial crisis, and who are at risk of disconnection.

Referrals to the scheme are provided by the:

- Five electricity retailers
- Three mains gas retailers
- Three metropolitan water authorities
- Fifteen non-metropolitan rural water authorities.

In 2001–02, the total number of grants provided decreased by 15 per cent to 8,496. Grants expenditure decreased by 22 per cent since the previous financial year. The overall approval ratio for 2001–02 decreased to 66 per cent.

The decrease in grants and expenditure is attributed to an increasing number of grant applications that were received but which did not satisfy the

eligibility criteria and were subsequently declined.

This factor also resulted in a decrease in the approval ratio.

To rectify this, additional training was conducted for electricity and gas retailers, providing them with information regarding the eligibility criteria. Another reason for the decrease in grant levels is that a significant proportion of concession cardholders have already been assisted with a Utility Relief Grant within the last five to seven years.

The number of approved applications for electricity, gas and metropolitan water authorities decreased in 2001–02 by 4 per cent, 24 per cent and 31 per cent respectively.

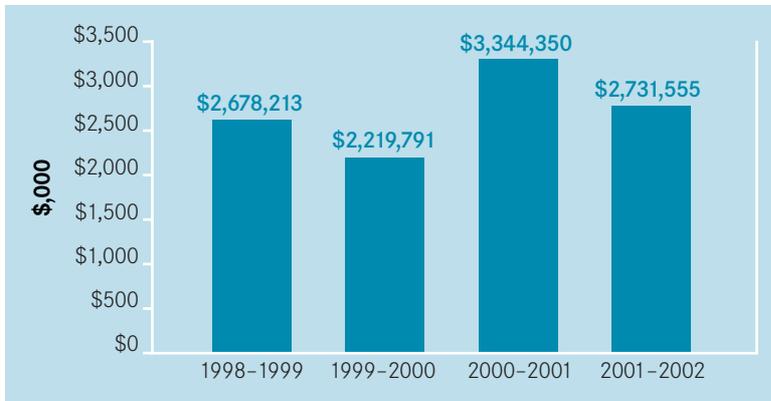
Figure 9: Utility Relief Grant Scheme, ratio of processed and approved applications, 1998–2002

	Number of applications	Number of grants provided	Approval ratio
1998–1999	11,015	9,060	82%
1999–2000	10,346	7,450	72%
2000–2001	12,438	9,989	80%
2001–2002	12,888	8,496	66%

Figure 10: Utility Relief Grant Scheme, number of applications approved by utility type, 1999–2000 to 2001–2002

Utility type	1999–2000	2000–2001	2001–2002
Electricity	3,370	4,821	4,637
Gas	2,421	3,349	2,536
Water	1,158	1,326	1,006
Rural water	501	493	317

Figure 11: Utility Relief Grant Scheme expenditure, 1998–2002



The number of applications from rural water authorities decreased by 55 per cent.

In 2001–02, the number of approved electricity grants decreased by 4 per cent, while approved grants for gas and metropolitan water authorities decreased significantly, with both experiencing a decline of 24 per cent. Approved grants to customers of rural water authorities also reduced substantially, falling by 36 per cent.

Electricity

The number of grants approved to customers of electricity retailers decreased from 4,821 in 2000–01 to 4,637 in 2001–02.

Electricity grants expenditure was \$1,573,348—a 10 per cent decrease on the previous financial year. The average grant was \$326 down by 5 per cent.

Gas

The number of grants approved to customers of gas retailers decreased from 3,349 in 2000–01 to 2,536 in 2001–02, a decrease of 24 per cent.

Gas grants expenditure was \$764,500, decreasing by 23 per cent since 2000–01. The average gas grant was \$302, which is 2 per cent higher than in the previous year.

Water

The number of grants approved to customers of metropolitan water authorities decreased 24 per cent from 1,326 in 2000–01 to 1,006 in 2001–02.

Metropolitan water grants expenditure was down by 33 per cent to \$305,119. The average grant was \$301, which is 10 per cent lower than the average grant in the previous year.

The number of grants approved to customers of rural water authorities decreased by 36 per cent, from 493 in 2000–01 to 317 in 2001–02.

Rural water grants expenditure was \$88,586, a 43 per cent decrease on the previous year. The average grant was \$286, which is 11 per cent lower than the average grant in 2000–01.

The major reasons for applying for a Utility Relief Grant were due to:

- A decrease in household income by loss of employment or a family breakdown (55 per cent of approved grants).
- High and unanticipated essential expenses, such as funeral expenses, medical costs not covered by Medicare, and the repair or replacement of important household appliances (36 per cent).
- Unaffordable high usage of the utility (8 per cent).

Forty-four per cent of applicants live in a private rental dwelling. Twenty-four per cent are Office of Housing tenants and 20 per cent of applicants are purchasing their own home.

7. Capital Grant Scheme

The Capital Grant Scheme provides once-off assistance to concession cardholders with the affordability of repairing or replacing an essential appliance that would reduce their energy or water consumption, or to individuals in financial hardship who cannot maintain access to the service.

The Capital Grant Scheme provides assistance with the repair or replacement of an essential household appliance, such as a hot water service, heater or water pipe that is faulty or broken and, as a result, is contributing to high energy and/or water bills.

Alternatively, a grant may also be provided if the applicant is in financial hardship and unable to maintain access to an essential service.

In 2001–02, 171 capital grant applications were approved, a decrease of 15 per cent since 2000–01.

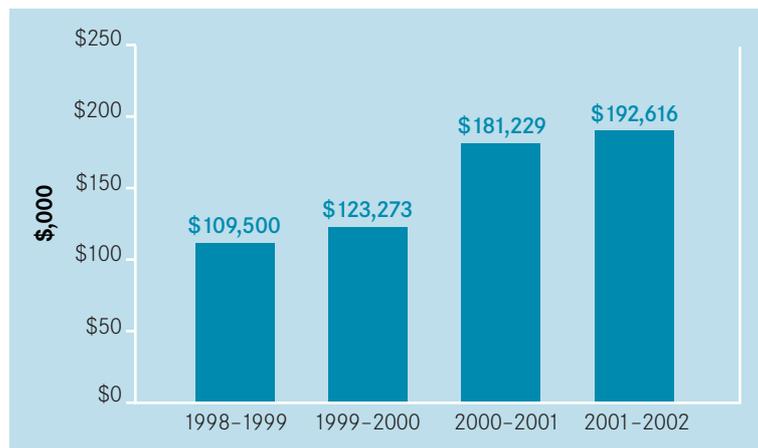
Capital grant expenditure increased by 6 per cent totalling \$192,616. The average grant value was \$1,126, which is 26 per cent higher than in 2000–2001.

Seventy two per cent of capital grant applications were approved.

Of the approved capital grants:

- 58 per cent were for the repair or replacement of a hot water system.
- 19 per cent were for heaters.
- 17 per cent were for refrigerators.
- 4 per cent were for a mains connection.
- 1 per cent were for stoves.

Figure 12: Capital Grant Scheme expenditure, 1998–2002



Developments

The Concessions Unit undertook work to endeavour to expand the reach of the Smart Home Assistance Pilot Program, which has been operating since July 1999.

The program is currently delivered in partnership with Yarra Valley Water and assists low income households who are having difficulty paying for high water bills due to inefficient or leaking fixtures, by repairing or replacing defective appliances and thereby improving their ability to pay future water bills.

During the latter half of the 2001-02 year, a decision was made to extend the availability of the program across the State. Three water authorities have indicated interest in a partnership arrangement.

Figure 13: Smart Homes Program, households assisted and expenditure, 1999–2002

Financial year	Number of households	Expenditure
1999-2000	65	\$11,467
2000-2001	114	\$23,028
2001-2002	63	\$10,903

8. Hardship Relief Water and Sewerage Connection Scheme

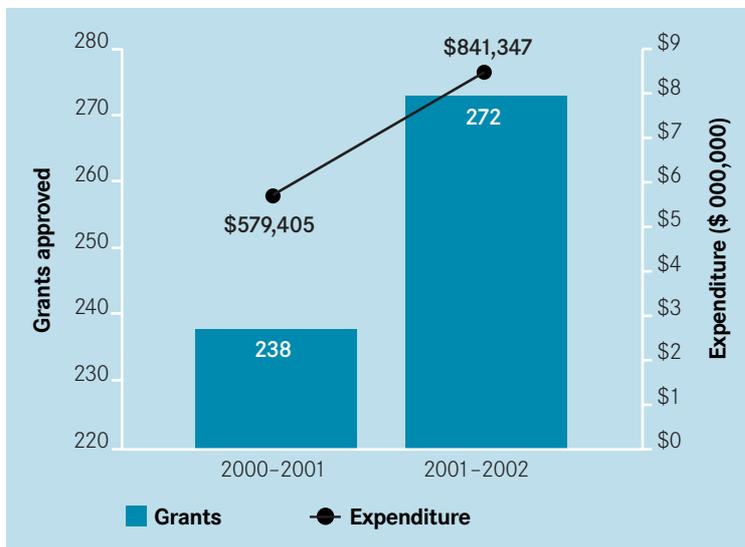
This scheme provides once-off assistance to concession households experiencing financial hardship with the costs of connecting their water and sewerage service to a compulsory sewerage scheme.

The scheme commenced on 1 June 2000 and is currently scheduled to operate until the end of June 2003. The scheme is funded by the Department of Natural Resources and Environment and administered by the Department of Human Services. A total of \$4 million has been allocated to the scheme over a three-year period.

In 2001-02, 272 applicants obtained assistance through the scheme; 14 per cent more than were assisted in the previous year. The average grant value was \$3,093 and total expenditure for the financial year was \$841,347, an increase of 45 per cent since 2000-01.

The areas serviced by the regional water authorities of Coliban Water, Goulburn Valley Water, Central Highlands Water, South West Water and Westernport Water received the majority of approved grants.

Figure 14: Water and Sewerage Connection Scheme, grants and expenditure, 2000–2002



Related community support programs

Key features

- The number of approved capital grants decreased by 15 per cent.
- Capital Grant Scheme grants expenditure increased by 6 per cent.
- The number of persons assisted through the Water and Sewerage Connection Scheme increased by 14 per cent.
- Water and Sewerage Connection Scheme expenditure increased by 45 per cent.

9. State Trustees services

State Trustees Limited delivers a range of services to low income people and those for whom an administrator is appointed by the Victorian Civil and Administrative Tribunal, Guardianship List.

The Department of Human Services Concessions Unit manages the community service obligation contract between the Minister for Community Services and Housing, and State Trustees Limited. The services are purchased on a net cost recovery basis, as determined by the client numbers and services provided. The community services contract expired on 30 June 2002. A new contract is being negotiated for the 2002–007 period.

The range of services delivered by State Trustees through the community service obligation includes personal administration services, which provide personal, legal, financial and asset management services for individuals whose disability prevents them from managing their own personal affairs.

In 2000/2001, the value of community service obligation services delivered totalled \$5.5 million. The service was provided to 12,308 clients across seven different products.

The Concessions Unit

10. Good Shepherd Buying Service

The Good Shepherd Youth and Family Buying Service provides assistance to low income people with access to lower prices when purchasing white goods, furniture, asthma pumps and other essential items.

The Department of Human Services has a service agreement with the Good Shepherd Buying Service.

In 2001–02, \$63,140 was provided to fund the Buying Service.

The service responded to 4,065 enquiries and provided 2,879 quotes. Some 1,039 eligible low income customers accessed appliances and received an average saving of 20 per cent off the recommended retail price. This represents a combined savings to these individuals of \$159,200.

The Concessions Unit administers and manages a number of State-funded concessions including the municipal rate, water and sewerage, electricity and gas concessions.

The Unit also administers and delivers several financial hardship assistance programs such as the Utility Relief Grant Scheme, the Capital Grant Scheme, and the Water and Sewerage Connection Scheme. Specialist staff process and assess applications for these hardship schemes.

A number of related community service obligation arrangements are funded or managed through the Unit.

A telephone information service operates during business hours. The information line provides advice and assistance to the general public and other concession stakeholders with enquires regarding Commonwealth and State concessions. Some 6,600 incoming telephone enquiries were received in 2001–02,

approximately 5 per cent less than in the previous year. Given that the 2001–02 financial year did not herald the introduction of any new concession programs and that major new publicity campaigns were not conducted, a reduction in the number of telephone queries was to be expected.

The majority of calls on the information line were energy concession queries. The service also refers many individuals to other government organisations such as Centrelink.

The Unit manages a concessions website providing another information avenue to members of the public, and the community service and welfare sector. The website at www.dhs.vic.gov/concessions provides access to information about all concessions and entitlements and includes information in a number of languages other than English.

The Unit has an extensive range of publications regarding State concessions that are regularly distributed to concession stakeholders, including the *State Concessions, Your Entitlements* pamphlet which is available in 23 languages including Vietnamese, Italian, Greek, Farsi, Indonesian, Polish and Ukrainian.

Other publications produced by the Concessions Unit include:

- *A Guide to Concessions in Victoria: Assistance for People on Low Incomes*, a manual designed for financial counsellors and other community sector workers who assist concession cardholders and other low income earners.
- Pamphlets relating to public transport concession, water and sewerage concession, Utility Relief Grant, Water and Sewerage Connection Scheme, Non-mains Winter Energy Concession.
- Municipal Rate Concession, Winter Energy Concession, Non-mains Winter Energy Concessions and Water and Sewerage Concession posters.
- Fact sheets that detail the Life Support Concessions and the Summer Multiple Sclerosis Concession.

[For copies of these publications contact the Concessions Unit telephone information line on 1800 658 521.](#)

