

Create a Pensioner Extra Concessions Card (PECC) to target additional concessions and supports to pensioners with limited means.

Overview

- Commonwealth concession cards are used by all levels of government to provide access to subsidised services and concessions.
- All pensioners, regardless of their means, are eligible for the same concessions via the Pensioner Concession Card (PCC):
 - For example, a homeowning couple can currently have up to \$1,074,000 in assets (not including the principal place of residence) and receive the same concessions associated with a PCC as a couple with no assets and no home meaning there is no incentive or compensation for those who spend down their savings.
- There is no way to target additional concessions to those most in need or to deliver additional concessions to pensioners who spend down their savings in later life.

WHAT ARE WE CALLING FOR?

- PECC holders to receive all existing PECC benefits and additional concessions, e.g., higher concession rates on energy, council rates, medicines etc.
- The Commonwealth to use existing customer data to assess PECC eligibility.
 - A person's income and assets (adjusted for housing wealth) are already used to determine their Age Pension amount. This could be used to determine eligibility for a PECC based on appropriate criteria.

Budget impact

- Cost to the Federal Government would be limited to initial administration and promotional costs (unless new Commonwealth concessions were applied).
- The PECC will reduce the cost of providing new concessions, allowing government to do more with less.
 - For example, if approx. 20% of pensioners (500,000) were assessed as eligible for the PECC, the Federal Government could administer a targeted Seniors Dental Benefits Scheme (SDBS). If a PECC holder was eligible for \$500 per year for dental under the SDBS, this would cost \$250 million per year.
 - If government wanted to deliver the SDBS to *all* pensioners, it could use the PECC to provide a differentiated payment at a reduced cost to the budget, e.g., \$300 per year to 500,000 PECC = \$150 million; \$125 per year to remaining 2.16 million PECC holders = \$270 million; Total cost = \$395 million per year.
 - In comparison, providing a \$500 SDBS to all pensioners would cost \$1.3 billion per year.

