



**Government
of South Australia**

Minister for Human Services

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Our ref: MCOR/0075
Your ref: 7128206

Ms Nat Cook
Member for Hurtle Vale
PO Box 158
WOODCROFT SA 5162

Sent by email: Tristan.rust@parliament.sa.gov.au

Dear Ms Cook,

Freedom of information application

I refer to your application under the *Freedom of Information Act 1991* (the Act), received by the Office of the Minister for Human Services on 12 October 2018 seeking access to:

Copies of any and all documents (including but not limited to physical and electronic material) regarding Ministerial agenda item "Concessions" from 18 April 2018.

Unfortunately, a determination was unable to be made within the 30 days, therefore it is considered to be a 'deemed refusal' under section 19(2)(b) of the Act. However, our office has continued to process your application outside of this timeframe. Section 19(2)(a) of the Act provides that an agency can release documents outside of the thirty-day timeframe, and this is still taken to be a determination under the Act.

Two documents have been identified as falling within the scope of your application and I have determined to release one document in part and one document in full.

Document one contains information regarding the preparation of the State budget, and its release would disclose details concerning deliberations or decisions of Cabinet. I have therefore determined this information to be exempt pursuant to clause 1(1)(e) of Schedule 1 to the Act.

Please find enclosed a copy of the documents, and a document schedule containing a brief description of the documents.

If you are dissatisfied with my determination, you can seek an internal review by writing to the Minister for Human Services as the Principal Officer of the agency. Your request should be sent within 30 days of your receipt of this letter.

In accordance with the requirements of Premier and Cabinet Circular PC045, details of your FOI application, and the documents to which you are given access, may/will be published on the agency's disclosure log. A copy of PC045 can be found at <http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars>.

If you have any questions in relation to this matter, please contact Amanda Hockings, Office Manager, on telephone 8463 3388 or by email at amanda.hockings2@sa.gov.au. If you are dissatisfied with the outcome of your FOI application, you have the right to complain to the Ombudsman SA. Please contact the Ombudsman directly on (08) 8226 8699.

Yours sincerely



Amanda Hockings
ACCREDITED FOI OFFICER

19 / 1 / 2019

SCHEDULE OF DOCUMENTS – MCOR/0075

Freedom of information application from the Ms Nat Cook seeking access to *Copies of any and all documents (including but not limited to physical and electronic material) regarding Ministerial agenda item "Concessions" from 18 April 2018.*

No	Author	Addressee	Date	Description of document	Determination	Reason
1.	Department of Human Services		18/4/2018	Agenda Item	Released in Part	Exempt – Clause 1(1)(e) – Deliberations of Cabinet Budget process
2.	Department of Human Services			Attachment to Agenda Item	Released in Full	



MINISTER FOR HUMAN SERVICES MEETING		
AGENDA ITEM 5: CONCESSIONS SA		
TITLE OF PAPER:	Concessions and Support Services	
MEETING DATE	18 / 4 / 2018	NOTING <input type="checkbox"/> DISCUSSION <input checked="" type="checkbox"/>
KEY POINTS	1. To provide an overview of Concessions and Support Services	

Minister's Comments:

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BACKGROUND

Concessions and Support Services (CASS) provides a diverse range of services and supports to the South Australian community, as well as support within the organisation. CASS incorporates:

- ConcessionsSA
- Office for Problem Gambling
- Interpreting and Translating Centre
- Coordinator for the Extreme Heat Plan and the State Emergency Relief Fund when activated.

DISCUSSION

ConcessionsSA

ConcessionsSA provides a range of household concessions and personal rebate services to eligible South Australians. In the 2017/2018 financial year, up to 200,000 households will be provided with approximately \$170m in concessions support. ConcessionsSA takes a whole-of-person approach to supporting its customers, ensuring that they are in receipt of all the concessions for which they are eligible.

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Advantages of the SA system (general):

- The 'whole person' and all their concessions needs / eligibility are looked at.
- Cross-checking of records are performed to ensure that all concessions records and entitlements are up-to-date.
- ConcessionsSA Hotline is well-known among pensioners, veterans, retirement village residents, seniors' groups as a source of information and assistance for easing cost of living pressures.
- Centralised payments and administration function for household concessions.

Concessions administered by ConcessionsSA include the Cost of Living Concession (COLC), water, sewerage, energy, the Emergency Services Levy (fixed property) remission, Medical Heating and Cooling, Emergency Electricity Payment Scheme and the Transport Concession Card. Assistance is also provided through the Funeral AssistanceSA Program, GlassesSA, Companion Card and the Personal Alert Systems Rebate Scheme (PARS).

Eligibility for concessions varies between concession types and may differ within concession types for homeowners versus tenants.

Certain household concessions are indexed each year according to CPI. Where the CPI goes down, concession rates remain at their current rate. Indexation is applied to the following concessions:

- Energy
 - COLC
 - Water
 - Sewerage
 - Medical Heating and Cooling.
- **Cost of Living Concession (COLC)**

The COLC is an annual payment that helps those on low or fixed incomes with their cost of living expenses, whether that be electricity, water, gas or medical bills.

Eligibility is determined on living arrangements, income and/or Centrelink card type as at 1 July of each year. Applications are open for COLC each year between 1 July and 31 October. There are different amounts paid to homeowners, tenants and Commonwealth Seniors Health Card Holders (whether tenant or homeowner). The COLC is paid directly to households via EFT.

The operation of the COLC is the subject of legislation.

151,489 homeowners and 29,447 tenants have received COLC payments this financial year.

• **Energy concession**

The energy concession is available to homeowners and tenants at the same daily rate, with a maximum annual amount. Eligibility for the energy concession is assessed by ConcessionsSA, with eligible customers being relayed to energy retailers. Energy retailers apply the concession to customer bills and ConcessionsSA reimburses retailers for payments made to eligible customers.

In South Australia, there has been a significant improvement in the energy concession reconciliation process in the last couple of years, as a result of issues raised by the Auditor-General.

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The operation of the energy concession is set out in a Scheme.

- **Energy Concessions Across Australia**

There are significant *variations in the administration of energy concessions across Australia*, with key differences including:

- The State Government administers the concession (SA).
- The State Government outsources energy concession to retailers to administer but retains some components of energy concession administration for special payments, LPG gas bottles etc. Government pays retailer to administer and pays external companies to undertake annual audits and impose fines for ineligible payments. (Victoria, NSW).
- The State Government outsources energy concession administration to energy retailers and no audit of who they give the concession to is undertaken (Queensland – no audit, Tasmania and ACT – audit unclear).
- The State Government owns the energy retailers and administers the concession through them (WA and NT).
- Victoria, NSW, Queensland offer an electricity AND gas concession.
- Percentage/consumption-based energy concessions are complex and can only be administered by energy retailers as they calculate on the actual usage per bill and apply on that bill.
- Flat rate concessions are applied by all jurisdictions except Victoria (although you can get more than one concession 'type' per household applied in some jurisdictions).
- South Australia provides the lowest amount of energy concession across Australia.

South Australia is the only jurisdiction that has consolidated its administration of State concessions for vulnerable and disadvantaged citizens to one area – ConcessionsSA. In other states and territories citizens will need to visit multiple agencies and providers in order to apply for all their household concessions. In terms of the customer experience, the SA model is considered customer-focussed.

Advantages of the SA system (energy concession):

- Full accountability for tax-payer funds through a customer-level reconciliation process.
- Energy retailers are only reimbursed for concessions applied for eligible customers.
- Because ConcessionsSA assesses eligibility and advises energy retailer, there is full visibility over our concessions customers.
- Allows for a fuller range of eligible customers than if energy retailers administered the scheme.
- Likely to be a cheaper administration option overall, although a complete comparison is not possible due to lack of disclosure re the costs involved in other jurisdictions.
- Since the introduction of the energy concession reconciliation process in December 2015. Working with data from ConcessionsSA, retailers have corrected records for those who are eligible, bringing the total of ineligible claims made to a net saving to the government of approximately \$8 m as at April 2018.

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Risks and costs of outsourcing to energy retailers:

- SA energy audit and reconciliation process has demonstrated energy retailers have applied concessions to ineligible households and claimed these back from the government. In the past, these were paid (in the millions of dollars). Some of these overpayments have been recovered. Outsourcing the scheme provides the opportunity for these overpayments to resume.
- Cost associated with energy retailers administering the complicated SA eligibility is unknown – currently modest cost paid to retailers.
- Costs associated with external auditors of energy retailers (eg PWC) unknown.
- Lack of visibility over our concessions customer base.
- Demise of the 'whole-of-person' approach which looks at all the customer's needs.

- **SA Concession Energy Discount Offer (SACEDO)**

Energy concession customers are eligible for the SACEDO with Origin Energy. Concession customers can choose to take up this offer, which may save eligible households up to \$531 per year on electricity bills and is available in addition to the energy concession.

The SACEDO includes a guaranteed 18% off electricity usage and supply charges until at least 30 June 2019 with flexible payment options and no late payment, processing, paper bills or credit card or exit fees.

There are currently approximately 28,800 customers actively pursuing this offer, of which approximately 20,000 are existing Origin customers.

- **Water concession**

The water concession is calculated at 30% of the total water bill over the course of the financial year, subject to maximum and minimum amounts. There are differences in eligibility criteria between, and amounts paid to, homeowners and tenants.

Most homeowners receive their water concession on their SA water bill. Tenants and some homeowners without SA Water access are paid their concession via EFT.

- **Sewerage concession**

Homeowners provided with sewerage by SA Water receive their sewerage concession on their SA Water bill. Eligible homeowners connected to a Community Wastewater Management System receive their sewerage concession via EFT.

- **Residential Parks Concession Scheme**

Eligible residents of residential parks receive all their energy and water concessions via a quarterly payment made by EFT.

- **GLASSES SA Scheme**

GlassesSA helps eligible South Australians obtain low cost glasses or, for those with serious eye conditions, no cost contact lenses.

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The Department developed GlassesSA with Optometry SA (OSA) and the program commenced on 17 October 2016, replacing the South Australian Spectacles Scheme. The program has an income based eligibility criteria and provides glasses at low cost to financially disadvantaged South Australians. A new IT system, which makes applications faster and easier for optometrists to process, was developed at the same time.

As at 12 April there are 4,008 customers in the Scheme.

- **FuneralsSA**

People who have recently experienced the death of a friend or family member and who cannot raise the funds for a funeral, after all options have been tried, may be eligible to receive a basic but dignified funeral through Funeral AssistanceSA.

The funeral provided is normally a cremation service, except in certain cultural circumstances.

Year to date the number of cremations and burials are 153 in the metropolitan area and 90 in the country areas of South Australia with a total average cost to date of \$6,146.00 per burial and cremation. After the event funerals with a grant of \$625 per funeral sits at 13 to date.

- **Medical Heating and Cooling Concession**

The Medical Heating and Cooling Concession (MHCC) assists South Australians on a fixed or low income who have a clinically certified medical condition which requires the frequent use of heating or cooling in the home to prevent the severe worsening of their condition.

The concession is indexed each financial year. The concession is available to applicants in addition to the current energy concession. While the energy concession is paid via third party (energy retailer), the MHCC is paid directly to the customer via EFT.

- **Emergency Electricity Payments Scheme**

The Emergency Electricity Payment Scheme (EEPS) is to provide assistance to households in a financial crisis who are unable to pay their electricity debt. Applications for EEPS are made by financial counsellors on behalf of their clients. EEPS recipients do not need to be eligible for an energy concession in order to benefit from EEPS relief.

- **Transport Concession Cards**

South Australians on low or fixed incomes and Seniors Card holders may be eligible to receive a concession on public transport fares.

Eligible recipients on low or fixed incomes receive a concession on public transport fares up to 50% off at all times.

- **Companion Card**

The Companion Card is issued to people who have a significant, lifelong disability and will always need a companion to enable them to attend and participate in community-based activities. The Companion Card allows the cardholder's companion free entry into participating venues and events.

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- **Personal Alert Systems Rebate Scheme (PARS)**

PARS provides vulnerable and disadvantaged South Australians, subject to strict eligibility criteria, with financial assistance to purchase and installation of an approved personal alert system (device) that can assist in an emergency if they are unable to reach a telephone. Eligible customers are also provided with an annual rebate on the monitoring of that device.

Further details including total financial concessions provided and number of customers please refer to Attachment 1.

State Emergency Relief Fund

Australians respond generously when disasters occur. Any money collected by the State Government in a public appeal for disaster relief must be paid into the State Emergency Relief Fund (SERF). DHS provides administrative support to the SERF committee which manages this fund. The committee ensures appropriate and fair disbursement of publicly donated money.

Interpreting and Translating Centre

The Interpreting and Translating Centre (ITC) provides comprehensive, high quality, efficient, confidential and professional interpreting and translating services. With over 40 years' experience, the Centre has developed linguistic and technical expertise in over 110 languages and dialects. ITC has extensive knowledge of the interpreting and translating field, particularly in South Australia, and is highly focused on understanding each client's individual requirements and providing quality services and products in a timely manner to a wide range of private, corporate and government clients on a fee-for-service basis. Services include interpreting by phone, face-to-face, meetings, written translations and multilingual typesetting 24 hours a day, 7 days a week. ITC's call centre, unlike other significant providers, is based in South Australia.

ITC also provides specialised training to interpreters and translators as well as complimentary seminars to users of interpreting and translating services across many areas, including: health, legal, finance, social services, education and the private sector.

ITC recruits employees based on demand for services as well as population and migration data. In addition to the administration team of nine FTEs, ITC employs approximately 320 casual staff to cover the growing demand for multi-lingual services. ITC provides services to both the public and private sector alongside the privately owned providers and individuals in the marketplace. Under the Department of Treasury and Finance's *Competitive Neutrality Policy Statement 2002*, ITC does not receive budget funding for its operations and operates balancing its service obligations with a commercial focus.

Through a competitive tender process, ITC was recently successful in being appointed as one of two panel providers to service the entire SA Health.

Office of Problem Gambling

The Gamblers Rehabilitation Fund (GRF) is established under the *Gaming Machines Act 1992*, and is administered by the Office of Problem Gambling (OPG) to fund organisations to provide gambling help services to people impacted by problem gambling.

Funding is allocated to 28 gambling help services across the state, including services targeted to specific groups. Funds are also allocated to the Gambling Helpline counselling and referral service which is available 24/7 and Gambling Help Online.

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Approximately \$7 million of funding is available through the GRF, of which approximately 40% is contributed by the gaming industry and 60% by the State Government.

AUDITOR-GENERAL'S REPORT 2015/2016

The Auditor-General's Concessions review report deals principally with the issue of evidence of concessions validation and reconciliation processes for the six-year period, from 1 July 2009 to 30 June 2015, with a particular focus on the energy concession.

The concessions system is large, and its administration is complex. In the six-year period reviewed by the Auditor-General, the Department administered around \$798m worth of concessions, including \$185.5m of energy concessions.

Since this review, ConcessionsSA has made significant improvements in the energy concession reconciliation process – which has led to a net \$8 m in savings resulting from identifying overcharging by energy retailers. There have been substantial improvements in concessions validation and the clean-up of CARTS data.

CONCESSIONSSA REVIEW

A review of ConcessionsSA was announced in the 2017/18 budget.

The review of the 'application, verification, payment, audit and reconciliation of major household concessions' will be undertaken within the government's current policy commitments. It will examine what process efficiencies and cost savings may be available, what alternative, innovative approaches may be available to deliver the services, or what cost effective investment in staff or IT infrastructure may achieve longer-term efficiency in concessions administration, assuming there are no changes to the nature of the concessions or assistance schemes themselves.

The procurement evaluation committee has completed their evaluation following an Invitation to Supply being issued, and it is currently with the Project Steering Committee to endorse the recommended provider. The review is expected to be completed by the 30 June 2018.

CHALLENGES AND OPPORTUNITIES

ConcessionsSA Staffing Investment

ConcessionsSA is funded for 57.5 FTE staff in 2018-19. It currently has 112.5 FTE staff to undertake the administration of all concessions including the Cost of Living Concession, and to undertake energy concession reconciliations as per the recommendations of the 2016 Auditor-General's report. ConcessionsSA has not been provided with funding to undertake reconciliations in other concession types.

A reduction (to budgeted levels) in the number of staff will have an immediate negative impact on the capacity of the department to administer and deliver concessions.



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OPTIONS FOR CONSIDERATION

State Government Concessions Reform


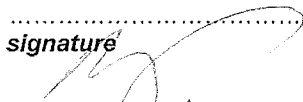
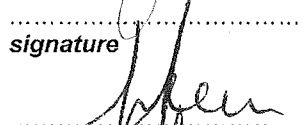
Each year, approximately 200,000 South Australian households benefit from up to \$170 million of concessions and rebates administered by ConcessionsSA.

You may wish to consider reforms to support administrative efficiencies and better service, including a customer-centric (payment of concessions directly to the customer), simplified and consistent experience for eligible South Australians.

The reform could put greater control in the hands of concession recipients and reduce the number of interactions they need to have with government to receive their entitlements. Waiting times for processing could be reduced and there would be improved accountability in the expenditure of public money on concessions.

ATTACHMENTS

1. Concessions and other payments funded by DHS

Division			
Executive Director, Corporate Services	Peter Bull	 signature	16 / 4 / 2018
Director, Office of the Chief Executive	Nancy Rogers	 signature	16.4.18
Chief Executive	Tony Harrison	 signature	16.4.18

Contact Officer:	Peter Bull, Executive Director, Corporate Services 841 39054/peter.bull@sa.gov.au
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Concession	Benefit Payable for 2017-18 to eligible applicants	2016-17 Activity	2017-18 Budget	31 March 2018 Activity
Emergency Electricity Payment Scheme	Up to \$400 every three years	1,118	\$333,000	
Funeral Assistance Program	Full contract funeral at no cost. After-the-event payment of up to \$625.	330 11	\$1,102,000	
Personal Alert Rebate Scheme	\$380 purchase and installation rebate \$250 pa monitoring rebate	3,157 rebates paid for personal alert systems 6,551 rebates paid for monitoring	\$2,690,000	Applications approved: 4,074
GlassesSA	Glasses with: single vision lenses: customer contribution - \$25 single vision grind lenses: customer contribution - \$30 bi-focal lenses: customer contribution - \$50 multi-focal lenses: customer contribution - \$100 <i>Total glasses</i> Contact lenses, for prescribed clinical eye conditions: no cost to customer	 717 315 694 <u>449</u> 2,175 127 claims	\$916,000	Glasses provided: 3,778

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Attachment 1

Concessions and other payments funded by DHS

Concession	Benefit Payable for 2017-18 to eligible applicants	2016-17 Activity	2017-18 Budget	31 March 2018 Activity
Cost of Living Concession	Homeowners: \$202.70 Tenants: \$101.40 Commonwealth Seniors Health Card Holders: \$101.40 for tenants or homeowners	Homeowners: 151,489 Tenants: 29,447	\$34,100,000	Homeowners and Tenants: 174,355
Emergency Services Levy (fixed property)	\$46 pa	134,848	\$6,568,000	
SA Concession Energy Discount Office (SACEDO)	Up to \$217.90 pa	181,657	\$40,311,000	
Medical Heating and Cooling Concession	\$217.90 pa (in addition to Energy concession)	2,816	\$727,000	
Sewerage Concession (homeowner-occupier)	\$111.50 pa	128,605	\$52,054,000	
Water Concession	Calculated at 30% of total annual water bill. Homeowners: min \$187.50; max \$298.90 pa Tenants required to pay for: • all water usage only: min \$121.60; max \$233.10 pa • all water usage and supply charges: min \$187.50; max \$298.90 pa	142,596 30,469 N/A		
Residential Parks Concession	Homeowners: up to \$516.90 pa Tenants: up to \$339.50 pa	Homeowners: 1,315 Tenants: 128	\$980,000	

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