

## 4.6 BUDGET CONCESSIONS

This section is included in the Budget Papers to identify revenue foregone by the Budget Sector in providing assistance to people or entities with special needs through *concessional charges* or *tax concessions*.

*A concessional charge is made by government when a generally available service is provided to a particular customer at less than the standard charge, or free.*

Examples of concessions that fall *within* the scope of this definition include those offered on vehicle registrations, entry to National Parks and to some Museums and selected exhibitions at the Art Gallery of New South Wales.

Major beneficiaries of such concessions include Commonwealth Pensioner Concession Card holders, low income householders and families with children.

Direct subsidies to people or entities for the provision of special services or facilities for people with special needs are *excluded* because they are services that are not generally available to the public. Examples include special transport for people with disabilities, provision of free spectacles and the School Dental Scheme.

Concessions that are funded entirely by the Commonwealth Government or by local government and concessions that are provided by agencies and authorities to their employees are also *excluded* by this definition.

*Tax concessions are defined as reductions or exemptions for special classes of people or entities from generally levied taxes on certain activities or assets.*

Exemption from Financial Institutions Duty for social security payments credited directly to a bank account is *included* under this definition because other individuals or entities pay this tax and this activity is part of the State's tax base. However, land tax on land with a value of less than \$160,000 is *excluded* because these assets are not part of the tax base.

In addition a number of concessions are made by Government Trading Enterprises (GTEs). The cost of such concessions may be reimbursed to the GTE directly from the Budget, may impact on the Budget indirectly through lower profits or dividends or may be offset in the GTE through cross-subsidies from other customers. Such concessions are included in section 4.7.

**Table 4.6: Budget Concessions**

Portfolio	Description of Concession	Actual 1995-96 \$000	Estimated 1996-97 \$000
<b>CONCESSIONAL CHARGES</b>			
Arts	Free entry to the Australian Museum and the Powerhouse Museum for pensioners and senior citizens	190	190
Education and Training	Exemption from the TAFE NSW administration charge for needy students	17,658	18,188
Environment	Free entry to national parks for pensioners	250	250
	Pensioner and Seniors Card holder discount entry fee to the Mount Tomah Gardens, Mount Annan Gardens and the Sydney Tropical Centre at the Royal Botanic Gardens	24	24
Health	Ambulance service primarily for pensioners	40,142	41,386
	Outpatient pharmaceutical scheme for pensioners	2,012	2,006
Transport	Reimbursements to private bus and ferry operators for providing half-fare travel to pensioners, retired senior citizens and the unemployed	25,188	27,320
<b>TAXATION CONCESSIONS<sup>(a)</sup></b>			
Roads	Concessions to pensioners for -		
	• Drivers licences	29,902	18,200
	• Motor vehicle registrations	17,327	18,100
	• Motor vehicle tax	65,051	68,900
Treasurer	<b>Contracts and Conveyances Duty</b>		
	• Purchases by Housing Department tenants	n.a.	n.a.
	• First Home Purchase concession	n.a.	n.a.
	• Non commercial activities of charities	n.a.	n.a.

**Table 4.6: Budget Concessions (cont)**

Portfolio	Description of Concession	Actual 1995-96 \$000	Estimated 1996-97 \$000
Treasurer (cont)	<ul style="list-style-type: none"> <li>Exemption relief for corporate reconstructions not involving significant changes in the beneficial ownership of the property</li> </ul>	n.a.	n.a.
	<b>Financial Institutions Duty</b>		
	<ul style="list-style-type: none"> <li>Directly credited Social Security and Veterans Affairs' pensions</li> <li>Charitable, education and religious bodies</li> <li>Public and non-profit hospitals</li> </ul>	n.a. n.a. n.a.	n.a. n.a. n.a.
	<b>Loan Securities</b>		
	<ul style="list-style-type: none"> <li>Refinancing of loans of the same amount for land used in primary production</li> <li>Regional headquarters</li> </ul>	n.a. n.a.	n.a. n.a.
	<b>Payroll Tax</b>		
	<ul style="list-style-type: none"> <li>Public benevolent institutions, charitable and religious bodies</li> <li>Non-commercial local government employees</li> <li>Non-profit hospitals and bodies</li> <li>Public hospitals and area health services</li> </ul>	n.a. n.a. n.a. n.a.	n.a. n.a. n.a. n.a.
	<b>Land Tax</b>		
	<ul style="list-style-type: none"> <li>Charitable, educational and religious bodies</li> <li>Racing clubs</li> <li>Hospitals and area health services</li> </ul>	n.a. n.a. n.a.	n.a. n.a. n.a.
	<b>Debits Tax</b>		
	<ul style="list-style-type: none"> <li>Hospitals - public and private</li> <li>Schools, colleges and universities (if there is no purpose of profit)</li> <li>Non-business activities of government</li> </ul>	n.a. n.a. n.a.	n.a. n.a. n.a.

**Table 4.6: Budget Concessions (cont)**

Portfolio	Description of Concession	Actual 1995-96 \$000	Estimated 1996-97 \$000
	departments	n.a.	n.a.

- (a) The list and cost of tax concessions is not exhaustive. Treasury is currently conducting a comprehensive review to identify and cost tax expenditures in New South Wales.