

Further disadvantage: the effect of stigma in discouraging use of concession cards

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Abstract

Concession cards provide access to a range of welfare benefits additional to income support payments. While concession cards constitute an important means of accessing support, their efficacy is dependent upon cardholders using their cards. There are many questions relating to the determinants of card use and the realised value of these benefits. For example, are decisions about when and how to use cards influenced by people's experiences of stigma, their perceptions of the benefits received or their awareness of the concessions available? The purpose of this paper is to take a closer look at the role of stigma in discouraging card use and the value of benefits people may be forgoing.

In order to do this, an online survey was conducted that asked concession cardholders about rates of card use and reasons for use or non-use, their awareness of available concession benefits and the estimated value of the benefits received. This paper confirms previous research findings that a lack of awareness is an important factor influencing people's access to benefits to which they are entitled. However, irrespective of awareness levels, there are those who consciously choose not to use their cards because of the stigma they feel society directs at concession card holders. The paper also finds that cardholders are realising only half of the potential savings available to them.

Keywords: concession cards; stigma; missing out; awareness; welfare

Introduction

Concession cards provide access to a range of welfare benefits additional to the payment of income support. The 'main purpose in issuing concession cards is to provide access to Pharmaceutical Benefits Scheme prescription items and a lower Extended Medicare Safety Net Threshold' (FaHCSIA 2010, p. 85). Other medical benefits such as bulk billing for doctor's appointments are, however, provided at a doctor's discretion, according to the Centrelink website.

State and territory governments also offer a range of concession benefits covering ‘utilities, car registration and transport, and to provide for public and community housing’ (FaHCSIA 2008a, p. 53), but these vary across borders. The Australian Government funds a small number of concession benefits, which are indexed and adopted at the Council of Australian Governments.

Centrelink administers three concession cards: this paper focuses on two of them, the Pensioner Concession Card (PCC) and the Health Care Card (HCC), as these provide the greatest range of benefits to cardholders. The PCC is available to recipients of an income support pension and is renewed annually pending continued eligibility. Recipients of income support payments and/or allowances may be eligible for an HCC which, subject to qualification, is renewed every three to 12 months. People qualifying as low-income earners may also be eligible for an HCC.

Concession cards constitute an important means of accessing support in Australia but their efficacy in delivering this support is dependent upon cardholders using their cards. There are many questions relating to the determinants of card use and the value of the benefits represented by concession cards. For example, are decisions about when and how to use cards influenced by people’s experiences of stigma, their perceptions of the benefits received or their awareness of the concessions available?

Raising awareness has historically been the policy priority with little attention given to the influence of stigma. The use of means testing to determine who receives social welfare has, in Australia, been ‘widely seen as bestowing legitimacy on those who receive welfare benefits’, whereas in the United Kingdom (UK), means testing has led to stigmatisation (Saunders 2002, p. 225). The purpose of this paper is to take a closer look at the role of stigma in determining card use and the resultant value of the benefits received.

An online survey of 589 concession cardholders was conducted to analyse levels of access to the benefits available to cardholders. Nationally there were more than 4.9 million cardholders in 2009, of which 70 per cent held a PCC (FaHCSIA 2009b). Survey respondents were asked about their rate of card use and reasons for use or non-use, awareness of available concession benefits and the estimated savings they realised through use of their card. The sample was representative of the Australian population by state and territory, age and sex. There were 357 PCC holders and 232 HCC holders. This sample represents a small bias toward HCC holders (39 per cent of the sample).

The role of stigma

The literature on the take-up of income support payments widely acknowledges the role of stigma but less has been written about its effect on the use of concession cards. This does not mean, however, that similar influences do not apply where concession benefits are concerned. The requirement to publicly display a concession card in order to obtain a benefit will potentially introduce the stigma factor.

The OECD has noted that:

Programmes that require recipients to continuously identify themselves may generate more stigma than those that only require a one-off application and then transfer money directly to the recipients (Hernanz, Malherbet & Pellizzari 2004, p. 21).

It is reasonable to extend to the process of obtaining concession-card benefits Currie's finding (2004) that perceived or experienced stigma can dissuade people from applying for income support despite being entitled to it. In making this extension, however, it has to be recognised that the effect of stigma is likely to be greater when cardholders are required to present their cards publicly in order to obtain benefits. Where benefits do not require the public display of a concession card, such as discounts on utility bills that can be arranged over the phone, the effect of stigma will potentially be diminished.

Literature examining the role of stigma in welfare systems highlights the relationship between the amount of income support present within an individual's social network and the ensuing perceptions and experiences of stigma. Lower rates of receipt tend to equate with higher degrees of stigma, but if every other person in the community is also using a Centrelink card to buy a bus or movie ticket, the associated stigma is going to be low. However, where individuals perceive a low level of concession-card use among their peers, there may be some hesitation, or even failure, to use cards, thus leading to forgone benefits.

The OECD has reported:

... the decision to participate in a welfare programme is seen as providing a negative signal that is likely to stigmatise individuals for both sociological and cultural reasons. The degree of stigmatisation generated by a welfare programme will obviously depend on its rules, and certain schemes are likely to be less stigmatising than others (Hernanz, Malherbet & Pellizzari 2004, p. 21).

It has been argued that the perception of what constitutes a strong work ethic and personal responsibility in Anglo-Saxon countries, including Australia, leads to the denigration of welfare. The populist impression is that people who receive income support are not 'pulling their weight' and there is 'an almost instinctive identification' of welfare with 'residual groups' (Mood 2006, p. 447). This interpretation has been countered by some within Australia who have argued that Australia's welfare system is designed to exclude the rich rather than target the poor and payments are intended to reach a 'large portion of the population' (Castles & Mitchell 1993).

A number of researchers examining the role of stigma in the take-up of social welfare have sought to categorise the experience. For example, a distinction has been made between negative self-identifying based on stereotypes and the anticipation of negative treatment (Contini & Richiardi 2009, p. 4). Because of the constant necessity to be identified as welfare recipients, experiences of stigma are likely to be greater when accessing concession benefits than when receiving income support. Despite possessing a concession card, an individual may opt not to use it because of negative perceptions about welfare reliance or anxiety about how the claim may be viewed by others.

Is awareness a factor?

In most cases, a concession card is allocated in conjunction with income support and an awareness of the benefits available is a precursor to an individual's ability to access them. In fact, the role of awareness has been identified as having a stronger influence than perceptions of stigma in situations where eligible people fail to take up income support payments. Some research has challenged the significance of stigma in these cases finding, for example, that 'effects usually attributed to stigma may simply reflect lack of information' (Daponte et al. cited by Hernanz, Malherbet & Pellizzari 2004, p. 21). Quantifying the role awareness plays is important in an analysis of stigma.

The government has recognised that awareness is an important factor underlying the ability of eligible people to access income support. The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) report, *Getting what we need: families' experiences of services*, stated that 'the most common access barrier identified by parents was that they did not know what [assistance] was available or how to find out what was available' (FaHCSIA 2009a). The support of family and friends has also been linked with the likelihood of an applicant receiving assistance and there is a further link between awareness levels and previous engagement with Centrelink (FaHCSIA 2008a, p. 11).

Associated with lower awareness levels is the perception on the part of eligible people that they do not qualify for welfare payments, a perception that can lead potential applicants to make a decision neither to pursue information about eligibility criteria nor to lodge a claim with Centrelink. Research in the UK found that perceived ineligibility 'was a powerful barrier for many' who were indeed entitled to support (Bunt, Adams & Leo 2006, p. 13).

Research into perceptions of ineligibility specifically associated with concession cards is less extensive, but cardholders who consider themselves ineligible are less likely to 'look out' for potential benefits or to make enquiries about possible benefits.

Low awareness levels may also affect the perceived value of available benefits and, therefore, the value of a concession card.

Discussion

Awareness of concession benefits

Both the PCC and the HCC provide some universal benefits but, as a rule, variations in the concession benefits provided by each of the states and territories are noteworthy. The issue of awareness has long been identified as a barrier to accessing in-kind benefits with a 1997 House of Representatives committee report recommending more effective information campaigns be initiated (HRSCFCA 1997, p. 77). The extent and format of the information disseminated about available support continues to vary, some of it is sketchy indeed. For example, the Centrelink guide to concession cards contains only generalised information and three pages of contacts (Centrelink 2009). This general lack of consistency in the concession benefits offered by the

various state, territory and local governments is the principal reason for the paucity of detailed information in the Centrelink guide.

In order to determine public awareness levels about concession benefits, the survey asked participants about the difficulties they experienced finding out about available benefits and how confident they were that their knowledge was comprehensive.

A majority of survey respondents reported that it was easy to research the availability of concession benefits; however, a larger number of respondents were not confident that they possessed adequate knowledge about their entitlements than the number who expressed confidence. Eighteen per cent of those respondents who considered it easy to track down available concession benefits also reported a lack of confidence in their level of knowledge. Thus, confidence is not related to the perceived ease of finding out about concessions, suggesting that raising awareness of concession benefits alone will not necessarily assist all cardholders.

HCC holders reported more difficulty in finding out about the concessions available to them than did PCC holders, who also reported greater confidence about their level of awareness. Forty-five per cent of survey respondents with an HCC said they found it difficult to discover their concession benefits compared to 39 per cent of PCC holders. While the Harmer Review found that a lack of awareness is an issue for PCC cardholders (Harmer 2009, p. 104) it is a greater issue for holders of a HCC. This could be a result of the historical policy intention of issuing PCCs as part of a long-term income support payment and HCCs as short-term assistance. It may be that the impact of inadequate promotion of concession benefits decreases the longer an individual has a card due to an accumulated awareness of these benefits.

Level of card use

The frequency with which cardholders use their cards determines, to a large extent, the value of the benefits they will receive. Survey responses revealed an incongruity between reported card use and the apparent awareness of available concessions. For example, while three-quarters of cardholders said they 'always use' their concession card when they can, two out of three of these same respondents reported using their cards only once or twice each month. Given the range of accessible benefits, it is difficult to conceive that such a large proportion of cardholders would report such low levels of card use. In comparison, the same rate of use was reported by almost half of the people who said that they did not use their card 'at every opportunity'. This suggests that many cardholders are not aware of the range of concessions available to them and just how often they might be able to use their card to access these benefits.

The survey asked cardholders to estimate how much money they saved each week by using their concession card. The majority of survey respondents (54 per cent) estimated their savings at less than \$20 per week. Of all cardholders who reported an estimate of weekly savings, the average annual saving was \$763, considerably lower than the government's own estimate, at approximately \$1,600 a year, of the potential value of a PCC (FaHCSIA 2008b, p. 9). The marginally lower potential value of an HCC is not enough to explain this discrepancy and nor is the possibility that some respondents may not have fully taken into account the value of benefits they do not

receive weekly, such as discounts on utilities. That cardholders report realising less than half the potential value of their cards is a concern for applied welfare policies in Australia.

The limited use of concession cards is reinforced by the finding that 11 per cent of cardholders report saving no money at all. Thus, the realised value of concession cards is falling short of the potential benefit the government has identified. It appears that many people who hold a concession card are not accessing the full benefits available to them and are therefore missing out on valuable support. On its own, a deficient awareness of available concessions is not sufficient to explain the reported low levels of benefits received. Almost one-quarter (24 per cent) of survey respondents indicated that they do not always use their concession cards even when they could. A similar proportion of this subset, 26 per cent, reported that they don't like to use their concession cards or find it embarrassing to do so. Thus, over 300,000 PCC and HCC cardholders are being discouraged from accessing in-kind benefits due to the effects of stigmatisation.

The effect stigma has on people missing out on benefits through concession card non-use is over and above those benefits missed due to a lack of awareness. Two different factors are at play; however, both could be addressed through policy approaches that address broader cultural perceptions around the receipt of welfare.

Research in the UK has found that automating aspects of welfare delivery generates a greater awareness of available assistance and reduces perceptions of stigma relative to the degree of automation (Kotecha et al. 2009, p. 13). These findings could be applied to concession benefits available to cardholders in Australia. However, the research also found that when the automation was perceived to involve greater government interference, acceptance declined and resulted in less public support.

In matters of welfare, Centrelink's focus is on eligibility. The current policy frames eligibility for assistance as an option, something offered by the government if people choose to take it up. Adopting language that characterises welfare, including concession benefits, as an entitlement could go some way towards helping to recast negative cultural views and address the exclusionary effect of stigmatisation.

Conclusion

This paper confirms previous research findings that the factors significant in people failing to access the benefits to which they are entitled are a lack of awareness, the difficulty of learning about available benefits and confusion about that knowledge. However, irrespective of awareness levels, there are those who are consciously choosing not to use their card because of the stigma they feel society directs at people in their position. The paper also finds that concession cardholders are only realising half the potential savings available to them.

While some have argued that Australia's welfare system is broad-based, people continue to report experiences of stigmatisation. One in four concession cardholders believe that using their cards denigrates them in the eyes of the public and they fail to claim benefits as a result.

Concession cards are a potentially valuable means of accessing welfare support in Australia but the realised value is dependent upon cardholders being aware of available benefits and accessing them. However, perceptions of stigma are negatively affecting the take-up of these benefits.

While stigma is widely discussed in literature pertaining to welfare payments, there has been less research into its effects on the take-up of in-kind benefits. The findings reported in this paper provide new evidence that a sense of stigma is discouraging the use of concession cards to access in-kind benefits.

The role of stigma has hitherto been overshadowed by the importance attributed to the role of awareness of available benefits. Considering the shortfall in realised savings reported by cardholders all obstacles to increased use need to be overcome through policies that tackle stigmatisation alongside further awareness raising. Policy changes that have the potential to reduce the effect of stigma include automating as many in-kind benefits as practicable and recasting the language used by Centrelink so that it frames welfare provision in a positive light. Additional study of the part stigma plays in furthering disadvantage is necessary to develop appropriate policy responses.

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