

THE VOICE of Pensioners and Superannuants

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Cashless Welfare Card: Here are the facts



THE SENIOR newspaper recently reported comments from a spokesperson for the Minister for Social Services about to the cashless welfare card, now called the Cashless Debit Card.

“Older Australians can be assured there is no plan to require Age Pensioners to participate in the Cashless Debit Card program”, the spokesperson said.

“The Government has been clear and consistent on this and any organisation spreading information to the contrary is simply fearmongering.”

CPSA is campaigning against the Cashless Debit Card, a patronising and demeaning imposition on responsible and capable Australians who receive a social security payment.

Is CPSA fearmongering?

No.

A Bill before the Senate says that Age Pensioners can be forced onto the cashless welfare card in the Cape York area, the argument being that this would mitigate the risk of financial elder abuse.

The Minister for Social Services put this Bill up and she and the other Government members of the House of Reps voted for it.

Financial elder abuse is rife throughout Australia, not just in Cape York, so there is a very real possibility that, using the same argument, Age Pensioners elsewhere could be forced onto the cashless welfare card, too, in future.

An inquiry by a Senate Committee into the *Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020* has been completed, with a majority recommending that the Bill be passed as is. Labor and The Greens disagreed.

Those are the facts.

Out and About vouchers, are you going to miss out?



THE NSW Treasurer has announced that NSW residents 18 and over will be eligible to receive four \$25 Out & About vouchers starting early January.

Two vouchers can be used at restaurants, cafes, pubs, and clubs. The other two vouchers can be used for entertainment, such as the cinema and the theatre or taking the grand kids ten-pin bowling.

If you spend less than \$25, no change will be given. You can't get alcohol or tobacco and you can't gamble with a voucher.

You can only use one voucher at the time.

The NSW Budget papers describe the vouchers as “digital vouchers”. You can get the vouchers via the Service NSW app.

This would seem to mean that people without a smartphone would miss out.

On 18 November, the NSW Minister for Customer Service was asked a question about this in a social media post. The Minister responded by saying, “we will have a solution for those without a smartphone and more information will become available soon”.

In response to another question, the Minister said that to participate in the scheme, “you must have a MyServiceNSW account”. However, to set up a MyServiceNSW account you need an email account. So, unless you can go online, you could still miss out.

CPSA will keep readers informed.

Stamp duty or property tax, you choose



LAND tax, also known as property tax, and council rates are what economists call efficient taxes. You can't escape them. Economists call stamp duty an inefficient tax because it stops many people from selling up and buying elsewhere to avoid paying it.

The NSW Government is therefore going ahead with an ambitious scheme to abolish stamp duty, replacing it with an annual property tax.

The NSW property tax will be on unimproved land value. The value of the buildings will be ignored because the Government believes that taxing people's

homes would discourage people from renovating their homes, which would reduce economic activity.

The new property tax will consist of a fixed amount (of \$500) plus a rate (0.3 per cent of the unimproved land value as assessed by the NSW Valuer General). An average home in metropolitan NSW will cost \$2,400 in land tax a year, an average regional home \$1,800.

But there is a way to avoid this. If you already own your home and stay put, you won't have to pay property tax.

If you sell up and buy elsewhere in NSW, then you have the choice between stamp duty or property tax. For example, the stamp duty on an average metropolitan house is close to \$24,000. Compare this with an annual property tax of \$2,400, and it will be clear that if you are certain you are going to be living in the new place for more than ten years, you'll be better off with stamp duty.

There is a catch, though.

Once a home has become subject to the property tax, subsequent owners must pay the property tax. This means that the choice between stamp duty and the property tax will disappear altogether, but this is likely to take more than twenty years.

A few things to keep in mind.

If you buy a new home, opt for property tax and invest some of the proceeds of the sale of your previous home in order to pay for property tax, you may find that your pension payments are reduced. Depending on your circumstances, that could be as much as \$70 per fortnight.

Also, people of working age may find it hard to come up with the annual amount of property tax once they retire and their income drops.

For pensioner couples, be mindful of what happens when one of you passes and there's only one person living in the home. Your household income from the pension drops from \$37,000 to \$24,500 a year. It would be very difficult for most people to pay an annual property tax on that kind of income.

The NSW property tax scheme will have hardship protections, whereby you rack up debt against your home, payable when the home changes ownership.

However, paying your property tax in that way, could make it very difficult to move. This is the reason why CPSA has always opposed such measures.

Regional Seniors Travel Card: correction



On 17 November 2020, THE VOICE published an article on the NSW Budget (Pensioners respond to the NSW Budget). The article was based on an item on the Budget papers, which allocated “\$175.2 million over three years for the Regional Seniors Travel Card program”. The Card was rolled out earlier this year as “a two-year trial program”. The Budget papers seemed to suggest that the Government was adding another year to the program. On inquiry, this was confirmed by NSW Treasury, but this confirmation has turned out to be incorrect. Transport for NSW advises that there will not be an additional year. Cards are valid for fourteen months from the date of issue, which means that two cards combined are valid for twenty-eight months.