

# THE VOICE of Pensioners and Superannuants

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## Financial hardship and the NSW property tax



WHEN the NSW property tax comes in, nobody will have to pay it. You only pay it if you want to pay it. How good is that?!

Too good, is the answer. Too good to be true.

While it is true that anybody buying a home in NSW can choose between paying a big whack of money in stamp duty and paying a much smaller annual property tax, eventually everyone buying a home will have to pay property tax.

That's because, if the purchaser of a home opts for property tax, subsequent purchasers will not be able to choose to pay stamp duty. It's property tax forever from then on.

Eventually all homes will have been opted into property tax.

The NSW Treasury thinks this may take twenty years or longer. Like the shampoo ad says, it won't happen overnight but it will happen.

The problem is that a large number of people will not be able to pay the property tax, estimated to average around \$1,800 annually in today's dollars.

Regardless of the larger economic benefits of the property, as more and more properties are opted into the property tax, eventually hundreds of thousands of low-income households will not be able to pay it.

The NSW Government appears not to have grasped on which scale financial hardship would occur as a consequence of property tax.

True, a “financial hardship scheme” is part of the plan, but if this scheme is a genuine attempt to shield low-income home owner-occupier households, it will be so costly to the Government of the day, that it will either have to abandon property tax or abandon the financial hardship scheme that is part of it, and that could mean bankruptcies or evictions or both.

Here's why.

The property tax financial hardship scheme relies on making financially distressed households borrow against the equity in their home to pay property tax.

If property tax were introduced now in one fell swoop, an estimated 231,000 households would need access to financial hardship arrangements.

The NSW Government would be underwriting tax deferrals to the tune of \$418 million annually and on a very conservative estimate would be managing a loan book with a value of more than \$6 billion in today's dollars, disregarding interest, which would blow the \$6 billion figure out even further.

The financial risk of taking this on is enormous and unacceptable. No bank would touch it. The NSW Government would need to fund it themselves.

But that would be in twenty years' time. By that time, the architects of the NSW property tax will have moved on.

## Centrelink call centre: real people, please, not robots



RECENTLY, CPSA received a call from a man in his nineties who said he had run out of savings and could he please have the pension.

We explained to him he needed to apply to Centrelink online. He could also ring them up, or he could go to a Centrelink office in person.

However, he was not online.

His eyesight had deteriorated to the point where he could no longer drive to get him to the nearest Centrelink office. He lived alone. He did not have home care. No one to drive him or help him.

We gave him the number for Centrelink, 13 23 00. This number is described on the Centrelink website as the “Centrelink Older Australians Line”.

If you ring it, an automated, speech recognition-enabled answering service asks you for your Customer Access Number.

CPSA gave it try to see what this man in his nineties would encounter when he rang the Centrelink Older Australians Line.

We were asked for our Customer Access Number “if you have one”.

In a clear voice, we said: “Don’t have one”.

The answering service comes back with: “I think you said you don’t have one. Is that correct?”

“Yes”, we said.

“You’ll find your Customer Access Number on any piece of correspondence we have sent you. So, let’s try that again. What is your Customer Access Number?”

This went around a few more times before we decided to hang up.

We tried a second time. This time the system did interpret our “Don’t have one” correctly and after a few more questions we got onto a live operator.

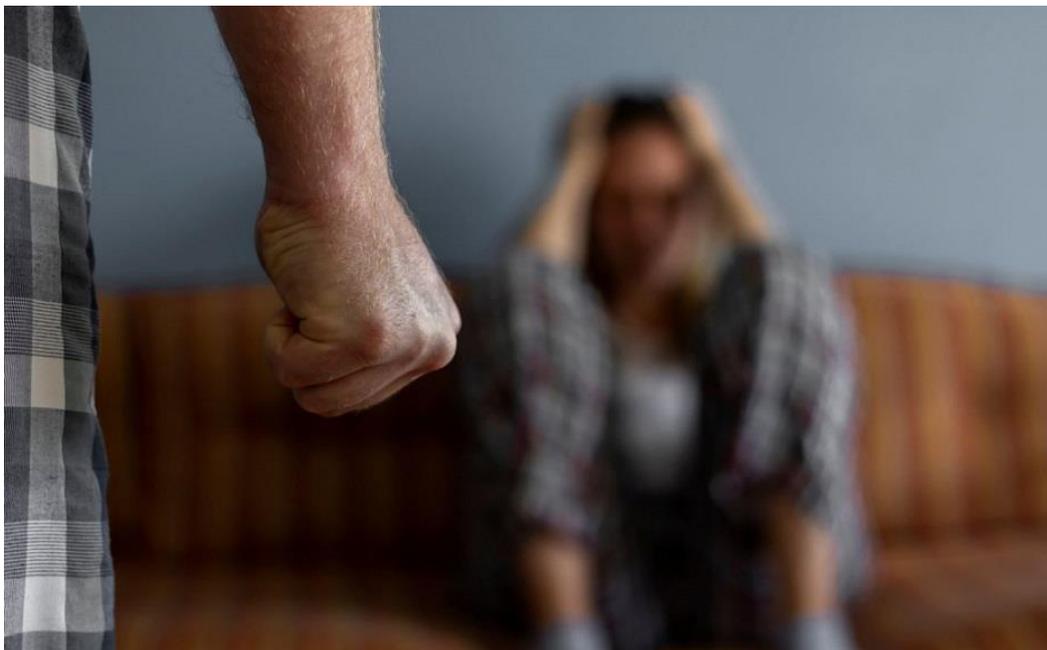
The question is how our caller, the man in his nineties would have gone.

When CPSA Head Office closed down at the beginning of the COVID-19 pandemic, our phones went on automatic answering with options to get through to the right person.

Calls to CPSA dropped dramatically. It is the reason two members of staff returned to the office after only three months working from home. After that, calls returned to their previous levels very quickly.

It goes to show that people, particularly older people, and particularly when they are trying to access an essential service like the Age Pension, need to be answered by a real live person, not a robot.

### **Older survivors of domestic violence more at risk of abuse**



A recently published research study has found that women who survive domestic violence are more at risk of experiencing abuse in later life.

It is estimated that around one in three women will experience intimate partner violence, that is violence within an intimate relationship which is physical, sexual, and/or emotional.

Women make up the overwhelming majority of victims of intimate partner violence which can have major consequences after the violence stops, such as illness and injury, infectious disease and disability. These consequences can lead to increased frailty and chronic illness in women as they age.

The ongoing physical and emotional impacts of intimate partner violence mean that older survivors are often more frail and financially dependent on others, two well known risk factors for a person being abused when they are older.

The lead author of the study, Dr Monica Cations, told *The Senior* “Both domestic violence and aged care services need to be aware of the ongoing vulnerability of survivors. Elder abuse prevention efforts can be targeted to help keep domestic violence survivors safe”.

If you are experiencing or at risk of domestic violence call the 24-hour national sexual assault, family and domestic violence counselling line on 1800 737 732.

If you are experiencing or suspect someone you know is experiencing elder abuse call the NSW Ageing and Disability Abuse Helpline on 1800 628 221.

If you are in immediate danger, call 000 for police and ambulance help.