CPSA
COMBINED PENSIONERS & SUPERANNUANTS ASSOCIATION OF NSW INC

THE VOICE OF PENSIONERS AND SUPERANNUANTS

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SPEAKING OUT FOR PENSIONERS SINCE 1931

NSW PROPERTY TAX: RETURN OF THE LIVING DEAD?

A WHILE back, CPSA pronounced the NSW property tax dead. The recent introduction into the NSW Parliament of the *Property Tax (First Home Buyer Choice) Bill 2022* seems to suggest it isn't.

However, on closer inspection it becomes clear that the NSW property tax's state of health hasn't changed much.

This is not because the NSW Government has changed its mind on the desirability of the wholesale replacement of property stamp duty with an annual property tax. If re-elected and if able to finance the radical change from stamp duty to a recurrent property tax, all indications are that the NSW Government would be doing it in a flash.

Leaving the outcome of the 2023 NSW election aside, what would stand in the way of replacing stamp duty with a property tax is the problem of how to finance the switch.

The average turn-over period for a residential property in NSW is 10.5 years. That is, on average there are 10.5 years between purchase and sale. So, conceptually an annual property tax would need to be roughly one-tenth of the applicable stamp duty to make sure homebuyers are not worse off, on average.

The NSW Government would collect in ten or eleven annual property tax instalments what it is accustomed to collect upfront in stamp duty. This in turn means that the NSW Government would have a significant annual revenue shortfall. In fact, the nine or ten annual property tax instalments previously collected as stamp duty upfront represent money the NSW Government would have to borrow for each and every property sold.

That was a problem even when the NSW Government launched its initial property tax proposal three years ago, when it could borrow money at a rate close to zero. Because we're talking a lot of money here. It's why it applied to the federal Government for financial assistance.

Now that interest rates are on a steady rise, having to borrow nine or ten annual property tax instalments is even more of a problem.

So, what about this *Property Tax (First Home Buyer Choice) Bill 2022*?

Doesn't it introduce the very property tax CPSA said was all but dead?

No, for a number of reasons.

First, the property tax is aimed at first-home buyers only. No one else.

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Letters

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Letters are personal views only and do not necessarily reflect CPSA policy. Ed.

Dementia, know the signs

YOUR article on dementia (*VOICE* October 2022) raised my interest.

I live with my wife who has early onset aged related dementia. She has all the symptoms, memory loss, withdrawal from activities and family visits, apathy, denial of forgetting things, asking the same thing over and over again.

She blames me for not telling her things that I told her about only a day or so ago. Having my own severe health problems, it makes it difficult for me to sympathise with her.

Trouble is, she is sent to see specialists and she doesn't go.

She is told to trust what I tell her needs to be done, but she doesn't believe me.

She says I imagined that I told her when I point something out.

Trouble is, I am the one who needs to see someone to teach me how to react and behave towards her without upsetting her all the time.

Best advice I got is not to argue with her, and that is from a relative who used to be a carer.

No professional advice, no support for my anxiety or my behaviour.

So we live day to day wondering what to do.

Writer's name withheld by THE VOICE

Send a letter to *THE VOICE*

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You must include your name for the letter to be published, though this may be omitted in publication if the letter contains personal information. Letters may be edited for length and clarity.

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CPSA COMBINED PENSIONERS & SUPERANNUANTS ASSOCIATION

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- ☐ I'd like to **renew** my membership or join CPSA as a Member and enclose my individual Membership fee of **$15** (Includes a free annual subscription to THE VOICE, valued at $32). I agree to be bound by the CPSA Constitution and uphold the Objectives and Policies of CPSA. I support the CPSA Objectives. I have not previously been expelled from CPSA or, if I have been expelled, I have attached a copy of my CPSA Executive exemption.
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Please send to: CPSA, Level 3, 17-21 Macquarie St, Parramatta NSW 2150

A solid interim Budget: now for May 2023

PREDICTABLY, Tuesday's federal Budget was a let-down for those who expected immediate solutions for the burning issues needing urgent attention. It was an interim Budget.

Today's urgent burning issues, which will have to wait until the May Budget in a little over six months' time, fall into three categories.

First, the Budget is $900 billion in the red. Tuesday's Budget measures are aimed at not increasing Government debt any further, rather than at actively reducing debt. Discounting debt by revenue windfalls from high commodity export prices and savings on social security expenditure, Australia is still running a hefty deficit, money that needs to be borrowed in a rising interest rate environment. Anyone hoping for meaningful pensioner cost-of-living relief in tomorrow's Budget will have been disappointed.

Second, Tuesday's Budget is aimed at not doing anything that will increase the rate of inflation. The Budget in May next year will be similarly framed with regard to inflation: inflation rates across the developed world are much higher than in Australia. Inflation being a global problem, it is unlikely to be tamed in six months' time.

Third, the Albanese Government has signalled it wants wages to rise. While this is not something that can be achieved overnight, legislation is soon to be introduced to give workers more negotiating power. Wage rises are dependent on productivity increases, which in turn will increase Government tax revenue to pay for some big ticket reforms.

Incidentally, wage rises are important for the pension. One of the three pension indexation mechanisms is the wages benchmark. This benchmark is the only thing that can increase the pension by more than inflation. It's the only way a pensioner's standard of living can be increased.

In Tuesday's Budget there was $2.5 billion over 4 years to implement Aged Care Royal Commission recommendations. The actions which the Government funds in this Budget are mostly well-publicised, although some are not as well-known, such as the requirement for providers to preference direct employment, civil penalties to protect whistle blowers and the introduction of a power to compel providers to pay compensation to care recipients where loss or damage has occurred due to neglect.

While it is regrettable that this Budget offers no cost-of-living relief for pensioners, the most recent Age Pension indexation costs the Budget approximately $2.75 billion annually.

CPSA would like to see the frequency of pension indexation increased, certainly during times of high inflation. Full rate pensioners had to find approximately $750 over the almost nine months up to September to cover cost-of-living increases. Quarterly indexation would certainly go a long way to assisting full rate pensioners in coping with price rises for essential goods and services.

CPSA notes that since pension indexation in September last, inflation has continued and despite the substantial pension increases, especially full rate pensioners are continuing to do it tough.

As previously announced by the Government, the pension assets test exemption for principal home sale will be increased from 12 months to 24 months for income support recipients. CPSA welcomes that only the lower deeming rate will apply to principal home sale proceeds when calculating deemed income

for 24 months after sale of principal home. Arguably, the deeming rate change is of greater benefit than the time extension for the assets test exemption.

One exciting addition was further commitments to increasing social and affordable housing supply. The $10 billion Housing Australia Future Fund promising 30,000 social and affordable homes over five years was already established as part of the Labor Governments election campaign.

However, the new Housing Accord establishes a collaboration between all levels of government, investors and stakeholders with the large-scale aim of building one million new homes over five years from 2024 to increase supply and ease house prices.

The Housing Accord also comes with an initial $350 million to fund a further 10,000 social and affordable homes over five years from 2024-25 and the potential for state and territory governments to contribute another 10,000 properties.

This is a good start, although the size of the housing crisis is such that even a significant initiative such as this will go nowhere near solving it.

2022 CPSA Annual General Meeting (AGM)

THE 2022 AGM saw the election to the CPSA Executive of Victor Borg, Grace Brinckley OAM, Brian Buckett, Margaret Cuddihy, Alan Dickinson, Bob Jay OAM, Anne-Marie Kestle, Barbara O'Brien OAM, Grahame Ward and Barbara Wright and also John Hollis as the Returning Officer for the coming year.

CPSA's 2021-2022 Annual Report is now available on CPSA's website: https://cpsa.org.au/about-combined-pensioners-and-superannuants-association/ or by ringing 1800 451 488 for a copy to be posted.

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Second, even first-home buyers get the choice between stamp duty and an annual property tax.

Third, once they sell (in 10.5 years, on average), the next purchaser is not locked into an annual property tax and can opt to pay stamp duty.

As a result, there will be a relatively small number of properties which will become subject to property tax. The NSW Government estimates 6,500 properties annually.

The initial proposal a couple of years ago also provided for an option to pay stamp duty, but in that proposal once a property had changed hands and the purchaser had opted for property tax, there would have been no way back: the property would have been subject to property tax in perpetuity.

The effect of the property tax proposal as it now is that only first-home buyers who want to pay property tax rather than stamp duty will do so. No one else will need to be affected.

Effectively, the *Property Tax (First Home Buyer Choice) Bill 2022* is a way of reducing the initial outlay on stamp duty by first-home buyers, supposedly making it easier for them to enter the housing market.

Arguably however, the NSW Government's latest property tax proposal could turn out to be the thin end of the wedge. Once a property tax, even an insignificant one, is established, it will be easier to make it bigger in the future.

That would be a bad thing for a number of reasons.

In its worst form, an annual property tax means thousands of dollars in tax every year in perpetuity. It will double your council rates. If you can't pay, it will be charged (plus compound interest) against your property.

It's unlikely to happen but the NSW Parliament would be well-advised to simply nip the idea in the bud and vote down the *Property Tax (First Home Buyer Choice) Bill 2022*.

Vale Peter Knox

Members of CPSA are greatly saddened to learn of the passing of an ardent member of both the Griffith CPSA Branch and the CPSA Executive, Peter Knox.

When Peter retired in 1999, he and his wife (Valeria) moved from Sydney back to Peter's boyhood town of Griffith.

In 2007 the Griffith Branch of CPSA had been in recess for several years and Peter became very active in revitalising the Branch. Peter later took on the role of Branch President which he held for many years. He was also a regular participant at CPSA's Annual Conferences.

In November 2017 Peter was appointed to the CPSA Executive, a position which he continued to hold until his untimely passing.

In May 2018 Peter was awarded Branch Life Membership in recognition of his tireless work for the Branch and his unstinting advocacy for the people of Griffith. It was through his activism that Griffith residents saw the return of extra train services and the installation of air conditioning in NSW public housing located west of the Great Dividing Range.

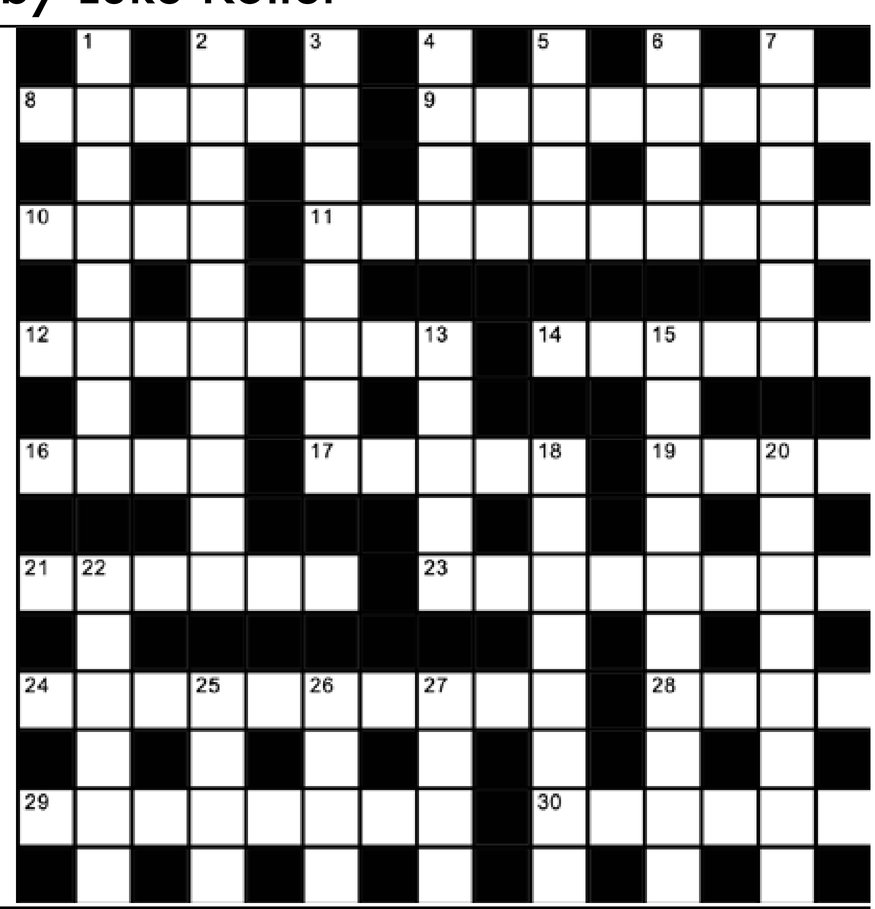
Peter was deeply admired, highly respected and will be greatly missed.

Crossword by Luke Koller

Across
8 Building material
9 Faculty of vision
10 Salve
11 Railings at the side of staircases
12 Failure of electric power
14 Having two parts
16 Spoken
17 The central pillar of a circular staircase
19 Mild cheese
21 An ambitious plan
23 Oscillate
24 Someone who negotiates
28 Hard metal
29 Request earnestly
30 Make a tour

Down
1 A merchant
2 Type of pasta
3 Obstinate
4 Approximating the statistical norm
5 Half
6 Raise up
7 Sudden attack upon
13 Piece of absorbent cloth
15 Fraught with danger
18 Grant freedom to
20 Flowers or marine polyps
22 Ready to fall asleep
25 At a higher position than
26 Small island
27 Rise and fall of the sea

Solution on back page



The many shapes and sizes of ageism

HAVE you ever been overlooked for a job for seemingly no reason? Been ignored or talked over by medical professionals? Has someone else assumed you're incapable of performing a simple task?

You may have been a victim of ageism.

You'd be joining one-in-four Australians over the age of 50 who have been affected by ageism in the last year.

Ageism is far reaching and can impact older people socially, financially and medically, yet it doesn't get addressed nearly as often as it should.

New research commissioned by EveryAGE Counts, a campaign tackling ageism, polled older Australians on their experiences and perspectives of ageism.

What makes this research different from other research, which often relegates everyone to the vague 'older Australian' category, is that it breaks up responses by age categories.

By breaking up respondents into decade groups we can see how ageism affects people differently as they continue to age.

People in their 50s and 60s think the workplace is the most important setting to address ageism in. Twenty-five per cent of those polled have had job applications rejected due to their age and 25 per cent have been made to feel they are too old for their work.

But as people age, these concerns change.

People 90 and over are less concerned with the workplace than they are with healthcare. 20 per cent of people aged 90 and over have been denied health services because of their age. Twenty-seven per cent report that healthcare workers talk to their companion or carer rather than to them.

Just these two areas paint a picture of how serious ageism can be.

What good is it to encourage pensioners to work when those who haven't even reached pension age are struggling to gain and maintain employment to support themselves financially?

We know that older Australians are more likely to require health services than any other age group, so why is getting much needed treatment harder the older you get?

Seven-in-ten older Australians believe ageism is a serious problem.

They agree that not enough is being done to address it in Australia and would support a government campaign to raise awareness about ageism and its effects.

It's time for action.

Work Bonus: a grey army recruit deserts

RECENTLY announced changes to Work Bonus are designed to encourage pensioners to earn more income from employment. But the Work Bonus income reporting requirements scared off one pensioner, who decided it was all too much and gave up her job.

Margaret is an Age Pensioner in her early seventies and was enticed by the $7,800 annual discount for employment income. She regarded it as a nice top-up to her Age Pension and a small superannuation pension she receives. She lined up a casual office job and off to work she went.

But then she found out that the employment income reporting system is stressful to negotiate.

The employment income reporting system is used mainly by people on unemployment benefits, who report on hours worked in jobs not paying enough to disqualify them for the JobSeeker Payment or the Youth Unemployment Benefit.

On behalf of successive governments, Centrelink has developed some very harsh rules for the unemployed and partially employed. These harsh rules extend to the Centrelink income reporting system. Margaret, an Age Pensioner, found them so onerous and punitive, she chucked her job.

The employment income reporting period for Work Bonus is usually 14 days, and Centrelink tells you when that period starts and ends. Pensioners who work must report the gross employment income amount they were paid in the most recent reporting period. This needs to happen on a date set by Centrelink by 5pm (and starting at 8am, according to Margaret). You can't report before your reporting date.

So, if you happen to be away without taking your pay slip, if you are in hospital or if you simply forget to report because you are human, your pension payment is very likely to be delayed by as many days as you are late. Do it a few times, you may lose your pension altogether and then need to apply afresh.

Reporting is done exclusively online. If you're not all that good with computers, this adds to your stress, as it did to Margaret's, who decided to stay home on reporting days so that she wouldn't stuff up her income reporting.

Margaret at least had the option to give Work Bonus a miss, although she forfeited her job and income from that job for it. She did that solely because of Centrelink's punitive income reporting requirements. That's pretty telling, so spare a thought for those on unemployment benefits, who don't have the option to resign from their low-pay jobs.

Margaret has given up on work and on Work Bonus. Not even the announcement it would be increased by $4,000 will get her back.

Obviously, a scheme to make it attractive for pensioners to work should not do its utmost to scare them off through its income reporting system, but that's what seems to be happening, at least for some people.

CPSA News

Should you be grateful for pension indexation?

IN September, the Albanese Government came in for some criticism from the Opposition because it seemed to take credit for pension indexation adding $38 to the single, and $58 to the partnered-combined Age Pension.

Judge for yourself if the Minister took credit unduly: "*… the largest indexation increase to payments in more than 30 years for allowances and 12 years for pensions*" (September 2022).

Then compare it with what the Morrison Government's Social Services Minister said here about the previous indexation in March 2022: "*Pensioners will see a 2.1 per cent increase to their payments – the largest increase since 2013*" (March 2022).

Not much between them, is there?

So, should you be thankful?

Pension indexation in its current form dates back to 2009, when a third component was added to it by the Rudd Government. This was the unexcitingly named Pensioners and Beneficiaries Cost of Living Index, or PBLCI for short.

The PBLCI is designed to check whether disposable incomes have kept pace with price changes.

But it's only eight years ago, in 2014, that the first Budget to be delivered by the Abbott Government proposed to not only abolish the PBLCI but also the wage benchmark for pension indexation, the Male Total Average Weekly Earnings, abbreviated to MTAWE (pronounced em-ta-way with the stress on 'ta').

It was back to indexation by CPI only!

Fortunately, this didn't come to pass, but it shows you that pension indexation is not as natural and stable as you might think.

Currently, pensions (including the Age Pension, Service Pension, Disability Support Pension and Carer Payment) are indexed twice each year by the greater of the movement in the CPI or the PBLCI. The outcomes are then benchmarked against a percentage of MTAWE.

The combined couple rate is benchmarked to 41.76 per cent of MTAWE. That's an odd number, but it's because in 2009 the single rate of pension was increased to 66.33 per cent (two-thirds) of the combined couple rate.

The increase in the single pension was $30 a week, by the way. This brought the single pension up from 25 to 27.7 per cent of MTAWE.

The MTAWE benchmark is there to ensure pensioners maintain a certain standard of living, relative to the working age population. It hasn't been used for a long time, because wages haven't been going up enough.

Wage benchmarking started in the early 1970s, when the Whitlam Government announced a commitment to maintain the rate of pension at 25 per cent of Average Weekly Earnings (AWE). But this was a commitment, not law.

In 1976, the Fraser Government introduced automatic increases twice yearly, according to movements in the CPI.

The Hawke and Keating Governments picked up where Whitlam and Fraser had left off and made benchmarking the single pension rate to 25 per cent of MTAWE their policy but keeping the twice-yearly CPI indexation introduced by Fraser. This meant that from 1983 there were four additional increases to the pension rates.

It was the Howard Government which legislated benchmarking of the single rate of age pension to 25 per cent of MTAWE from September 1997.

Keeping in mind that before 1976 pensions were adjusted only when governments felt this was needed, some gratitude for the legislated pension indexation mechanism we have today is therefore indeed in order, and both sides of politics can take credit for it.

But the half-yearly media releases where the Social Services Minister of the day implies a forthcoming pension indexation event in March or September is munificence bestowed on pensioners by the government of the day could be toned down.

Is pension indexation about to go monthly?

THE pension increase you got in September covers you for inflation between the start of the year until 30 June. But inflation marches on relentlessly.

We've talked about it before. The additional pension you are now receiving does not compensate you for the increase in the cost of living during the first six months of the year. Or nine months, really. Because compensation did not come through until almost three months after the 30 June.

True, if you are single on a full rate pension, you are now getting $38 a fortnight more, but you weren't getting $38 a fortnight more at the time. So, for twenty fortnights you had to find those $38 yourself. That's $750, you've had to find. The alternative was to go without things you normally bought.

It's always been possible for the Government to index the pension every quarter. The Australian Bureau of Statistics (ABS) calculates the Consumer Price Index (CPI), or the rate of inflation, every three months.

And surely, the Department of Social Services could employ a bright Year-6 student to calculate the pension increase a bit more quickly than it does at the moment.

The reason that the pension doesn't get indexed quarterly and the increase doesn't come through more quickly is a simple one. It's cheaper for the Government.

The Australian Bureau of Statistics has been under pressure to move from calculating the rate of inflation every quarter to calculating it every month.

It has now done so, and about time.

Australia was one of only two OECD economies (the other is New Zealand) that does not produce a monthly CPI.

But the main reason why the ABS has so moved has nothing to do with the pension or with pension indexation.

The main purpose of the CPI is to help the Reserve Bank of Australia

(RBA) to set interest rates. The RBA does this every month. Until now, it had done so based on a quarterly CPI. It's anybody's guess why it didn't set rates on a quarterly basis, but it didn't. Now, it can make its monthly decision on sound advice.

The reason why it took Australia so long to move to monthly CPIs was cost. The ABS collected information by visiting shops and ringing up businesses. That's how it used to work. Now the ABS uses Google, or as it puts it, "scanner data and web-scraping (automated) data collection techniques".

Still, the ABS hasn't quite pulled it off. It's not totally satisfied that its monthly CPI is as good as its quarterly one. This is why the monthly CPI is called the "monthly CPI indicator". The perfectionists at the ABS expect having to apply corrections to their monthly CPIs, something they wouldn't contemplate for their quarterly CPIs except in extraordinary circumstances.

But when you look at a graph of quarterly CPIs and monthly CPIs (retrospectively calculated), the monthly CPI is pretty spot-on. Sometimes a little bit lower, sometimes a little bit higher.

So, if it's good enough for the Reserve Bank of Australia, isn't it good enough for the Department of Social Services?

If it's good enough to base the setting of the RBA's cash rate on

it, isn't it good enough to use it in pension indexation?

CPSA has previously argued the case for more timely indexing of the pension on the basis of non-ABS inflation data. Now that the ABS has come to the party, what's holding back monthly pension indexation?

Timely pension indexation would fix a lot of pensioners' cost-of-living problems.

It's time for timely, Prime Minister.

Data breaches, identity theft: the right to privacy

WITH the world becoming more digital and people seeming to want more and more information, it's hard to know how to protect information about yourself.

After the Optus data breach, people were told that not only were their names, addresses or phone numbers leaked, but also numbers on driver's licences, passports and Medicare cards.

It raises the question of why a telco needed all of this information in the first place.

The problem extends beyond just telcos. If you're a renter, think about what information you had to supply the last time you applied for a property. Not just identity documents but background checks, bank statements, employment history, and who knows what else.

Alone, any one piece of this information falling into the wrong hands might not be much cause for concern. But combined this would make identity theft much easier or at the very least add some validity to otherwise easy-to-spot scam emails.

What information are companies actually allowed to ask you for, and what should you tell them?

Australian privacy laws are governed by the Privacy Act 1988.

This Act includes the Australian Privacy Principles. These are guidelines on the collection, management and use of personal information. They apply to government agencies like Centrelink and the ATO, plus organisations with an annual turnover of more than $3 million. This would include most telcos but not all smaller businesses asking for your info, the theory being that no one will hack smaller businesses.

The main takeaway of these principles is that organisations can only collect personal information where it is reasonably necessary for the organisations' functions and activities.

The problem with this of course is that 'reasonably necessary' is not tightly defined.

But if you have a concern about what you are being asked to provide, it's up to the agency or business which are subject to the Australian Privacy Principles to prove they need the information rather than you to prove they don't need it.

If you're not sure whether the company you're dealing with is covered by the Act, you can find a detailed list of who must comply here and a list of small businesses who have decided to opt in anyway here.

Unfortunately, if an organisation isn't an agency or business subject to the Australian Privacy Principles, there's not much stopping them from asking for any information they want. You can check to see if they have their own privacy policy on their website, but they aren't even required to do this.

While you have the right not to supply personal information, agencies and businesses also have the right not to take your business.

The Office of the Australian Information Commissioner is responsible for enforcing these principles and can rule that certain information is not necessary. They've done this before when someone applying to open a bank account was asked about their marital status and again when a medical practitioner photographed a patient to add to their medical file.

Theoretically, these rules should work fairly well to limit the amount of information that can be collected, to ensure it's stored properly and to limit the length of time that the information is kept. But unfortunately, the rules aren't well enforced, which is what leads to big leaks, like what happened with Optus.

A review of the Privacy Act was started in 2020 and the new Attorney-General is now pushing for these reforms to be passed by the end of this year.

The discussion paper for this review proposed changes like expanding the definition of personal information, strengthening consent requirements and introducing a 'right to erasure' of personal information that should start to put more power back into the hands of the consumer.

Would life be better without deeming rates?

WHAT if Centrelink simply checked your bank account, term deposits, shareholdings and the like and used the actual interest and dividends to calculate your fortnightly pension payment?

Would that be good or bad?

No more deeming rates!

Over the past few extremely-low-interest-rates years, it would not have been such a bad thing, you might think. With annual term deposit rates going as low as a quarter of a percent, many found that their deemed income was higher than their actual income. Their pension payments were lower than they would have been if actual income had been used.

An automated process called data matching can easily check your income from financial assets, such as term deposits. Data matching is used extensively by the ATO and a few other agencies.

The technology exists!

Over the years (since 1996 when the current deeming arrangements were introduced), the higher deeming rate has stuck close to average annual term deposit rates (as calculated by the Reserve Bank).

But only about 30 per cent of the time was the higher deeming rate actually lower than the going annual term deposit rate. So, depending by how much you were over the dollar limit for the lower deeming rate, you could be losing more pension than if Centrelink had assessed your actual income from term deposits.

But without fail, the lower deeming rate was lower than the going annual term deposit rate until March 2020. So, people under the dollar limit for the lower deeming rate generally gained from deeming until that time.

Then COVID struck, and for two months the lower deeming rate was higher than the term deposit rate. This prompted the Government to cut the lower deeming rate.

Term deposit rates kept going down. The Government responded by cutting both the lower and the higher deeming rates, until they were so low that effectively nobody was losing any pension because of deeming.

And that's what the state of affairs is now, which thanks to the deeming rate freeze, will continue until 1 July 2024.

But after 1 July 2024? Well, let's optimistically assume the economy and things will get back to the way they were before. Term deposit rates will most likely have improved by then, which almost certainly means that deeming rates will go up again.

So, would you be better off without deeming rates once things return to normal?

It obviously depends on what type of financial assets you hold. If it's just term deposits and you don't exceed the dollar limit for the lower deeming rate, you will be better off.

If you do exceed the dollar limit for the lower deeming rate, it depends on by how much, because you do benefit from the lower deeming rate also.

But the people who are likely to benefit most from their income being deemed are those who steer clear of term deposits (provided they invest prudently). Their rates of return are likely to beat the higher deeming rate most if not all of the time. This means a lot of actual income not counting for the pension.

Unfair? The Government doesn't think so.

Deeming, the Department of Social Services says, was introduced to encourage "income support recipients to maximise their total disposable income by investing to gain returns of at least the deeming rate".

Regional banking greenlighted to go app

IN October last year we wrote about the Regional Banking Taskforce, which was established by the Government "to bring together banks, regional communities and other stakeholders" to look at the impacts of bank branch closures in regional areas and how to support individuals to access alternatives.

With branch closures not showing signs of slowing down any time soon, it's important to ensure people have access to their money no matter what.

After receiving over 400 responses to their issues paper, the final report was released on 30 September with seven main recommendations to support regional customers.

These recommendations include:

- Reviewing and strengthening the Australian Banking Association's Branch Closure Protocol.
- Implementing branch closure impact assessments.
- Promoting and supporting Bank@Post services, where regional post offices carry out some essential banking functions.
- Maintaining access to cash.
- Improving support for regional consumers experiencing vulnerability.
- Continuing to support and improve digital connectivity and literacy in regional areas.
- •Reviewing the Australian Prudential Regulation Authority (APRA) Points of Presence collection, which provides information on the location of ATMs, branches and other face-to-face banking locations.

The common thread running through these recommendations is increasing consultation and communication with the communities affected by branch closures.

While the current Branch Closure Protocol requires member banks to give sufficient warning of closures and assistance transitioning to alternatives, in reality this doesn't always happen.

Strengthening this protocol, as well as requiring banks to conduct and publish impact assessments, should provide greater transparency for those affected on why the closure is occurring, what alternatives there are and what support they can get accessing it.

However, there remain some bigger problems than just improving communication.

Raising awareness of and supporting the transition to Bank@ Post services will help many with their day-to-day banking needs like deposits, transfers and paying bills. But other services like opening or closing accounts, activating credit cards and applying for a loan or mortgage still aren't available.

Further, while over eighty banks participate, customers with banks like ANZ can't access the service.

This means a large group of people will still have to travel long distances to shopfront branches for at least some of their banking needs

Improving support for vulnerable customers and improving digital literacy are once again very important goals. In theory, that will help many access banking services. Programs like the Commonwealth's Be Connected provide resources to address the digital divide and help older Australians become more familiar with internet banking.

But this will only offer so much help until other programs like the Better Connectivity for Rural and Regional Australia Plan, that pledges to boost NBN speeds, provide better mobile coverage and improve connectivity, come to fruition.

Online banking simply isn't an option for many in regional areas where internet and mobile coverage isn't reliable.

While these recommendations offer a start in acknowledging the vast impacts of branch closures for regional communities, more still needs to be done to make alternatives viable.

The Taskforce's report clearly did not consider that a bank licence should come with an obligation to also service the needs of those who can't go digital.

Would Methuselah be able to get travel insurance?

GETTING travel insurance if you're older is how you find out that not-feeling-your-age doesn't count for much outside your own head.

It's expensive! Even if you look and feel twenty years younger than you actually are, are healthy and run a marathon a month.

It's not that insurance companies are indifferent to the state of your health relative to your age.

Quotes you get from websites like www.comparetravelinsurance.com.au are subject to medical assessment. This means the quotes that appear on your screen are given assuming you have no medical conditions.

But if you do, the price goes up beyond the quoted price. Unfortunately, what the exact price impacts are of specific medical conditions is not covered by comparison websites.

But even assuming you are in perfect health, travel insurance premiums go up with age.

Just a quick play online produces a quote for someone completely healthy and aged 81 wanting to travel in Europe for a month of $1,320, or $44 a day.

That's $1,000 more than a fit and healthy 71-year-old would pay.

Take two years off, a 69-year-old would pay about $200, while a 79-year-old would pay $475.

And a 21-year-old pays $135!

A question that CPSA is often asked is whether all this doesn't amount to age discrimination and whether it isn't illegal.

The sobering answers to those questions are: 'yes' to the former and 'no' to the latter.

First, age discrimination is like beauty: it's in the eye of the beholder.

If you are 21, it's great. Because you are 21, you pay $4.50 a day! That's positive age discrimination for you.

But if you are 81, it sucks, as a 21-year-old might say. You pay ten times what they pay. Negative age discrimination.

Age discrimination is often not illegal. It can even be necessary, which is why 4-year-olds don't drive SUVs, much as they would like to.

Age discrimination legislation is federal law and offers 'exemptions' not only for necessary age discrimination but also for reasonable age discrimination.

Insurance is covered by one of those exemptions.

As long as an insurer bases their prices on reasonable assumptions, facts and arguments, they are not doing anything illegal.

The argument in favour of age discrimination in travel insurance is that, as a group, people aged 81 are at significantly higher risk of falling ill than younger people.

For example, for each decade of life after age 55, your chance of having a stroke more than doubles.

With that the travel insurance risk increases. With the risk, the premium increases.

Significantly more people aged 81 die from a stroke while travelling than do 21-year-olds.

And that's the reason why insurers are allowed to age-discriminate.

They do so savagely once you turn 80, when that month in Europe would cost you $1,000. At 81, as we saw, you pay $1,320.

The good news is that after 81, the premium stays the same in this example. A 100-year-old pays the same as an 81-year-old.

Perhaps insurance companies reason that, if you can get to 100, you are either as fit as a fiddle or that you will have one or more medical conditions for which you will pay additional premium to cover their insurance risk.

Finally, to answer the question asked in the headline, Would Methuselah be able to get travel insurance?

The answer is 'yes', but only to age 100. That's when the quotes stop.

For now.

But with the way life expectancy is going, we might get to 969 as a travel-insurable age one day.

Sorry folks, it turns out good cholesterol is no good after all

PROFESSOR Martijn Katan is a biochemist and emeritus professor of nutritional science. For thirty years, he tried to prove that raising good cholesterol levels in your blood protects against heart attacks, but in the end, he has concluded it simply doesn't.

Cholesterol is a fat and is always bad if it stays in your blood. Cholesterol is transported through your arteries in tiny balls wrapped in a thin layer of protein. If it stays within this layer, no damage is done.

Good cholesterol is wrapped in a high-density layer of protein. This lowers the chance that the cholesterol escapes into the bloodstream, where over time it can block arteries, which can lead to a heart attack.

Bad cholesterol is transported in a low-density layer of protein. This means there is a much higher chance it will escape into the bloodstream and cause harm.

A quarter of cholesterol in the blood tends to be wrapped in a high-density layer, the rest in a low-density layer.

For a long time, nutritional scientists tried to prove the hypothesis that high-density wrapping sucked up cholesterol which had escaped from low-density wrapping. If this were true, so the theory went, heart attacks could be prevented by raising a person's high-density-wrapped cholesterol levels.

One way of raising high-density-wrapped cholesterol is to drink alcohol, hence the medical advice, which proved to be immensely popular, to drink two glasses of wine a day. Professor Katan notes that this advice is now obsolete, and that drinking alcohol in any form and quantity is bad for you.

Professor Katan's research extended to other food stuffs. It found that carbohydrates (bread, pasta and sugar) lowered levels of high-density-wrapped cholesterol. If the hypothesis about good cholesterol sucking up bad cholesterol and preventing heart disease in this way was true, you should obviously stay away from carbohydrates.

Eggs, Professor Katan found, increased both levels of low-density and high-density-wrapped cholesterol, so they cancelled each other out: eggs therefore didn't do much harm. If … the hypothesis was true!

But Professor Katan began to question whether there was enough evidence to justify nutritional advice to increase artificially the levels of high-density-wrapped, good cholesterol in blood.

While it was certain that low-density-wrapped, bad cholesterol caused heart attacks, there wasn't really anything to suggest that good cholesterol absorbed bad cholesterol, thus reducing the risk of heart attacks.

For example, among people who for hereditary reasons had no high-density-wrapped cholesterol in their blood, there was proportionally the same number of heart attacks as among people with normal levels of high-density-wrapped cholesterol.

Then medicines which increased levels of high-density-wrapped cholesterol were developed and tested on thousands of people. That's when it turned out that no reduction in the number of heart attacks resulted from taking these medications. There was also no reduction in the clogging of arteries.

This meant that low levels of high-density-wrapped cholesterol did not cause heart trouble. It only meant that people with low levels of high-density-wrapped cholesterol were more likely to have heart trouble. The low levels are no more than a signal.

Professor Katan compares a low level of high-density-wrapped cholesterol to the little red light on the dashboard of car which comes on when the oil in the car's engine needs a top-up. It's a signal, no more. Just switching off the light will not fix the engine's need for an oil top-up.

So, the hypothesis on which so many nutritional scientists spent so much time for so long, that high-density-wrapped cholesterol is good and that levels of it in the blood should be increased because it reduces the risk of a heart attack, has been disproved.

This does not mean that you can let rip with any food that takes your fancy. Cholesterol, if released from its wrapping, high- or low-density, is always bad for you.

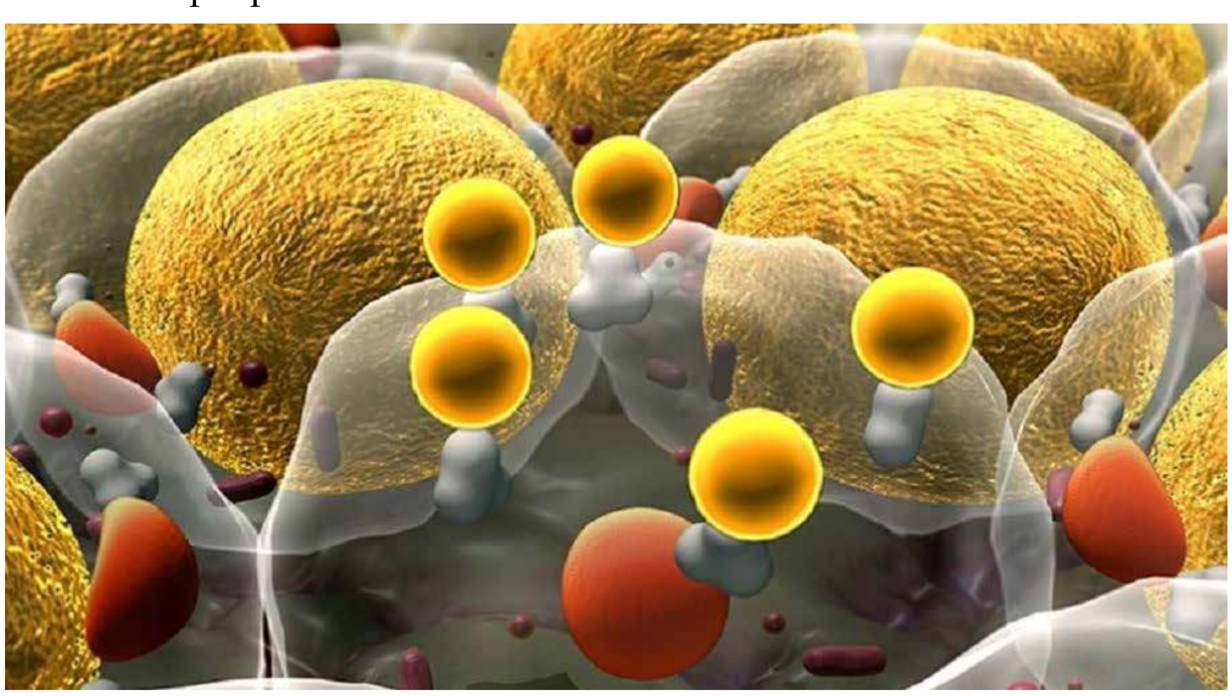
Therefore, it's wise to avoid as much as possible food that increases levels of low-density-wrapped cholesterol in your blood, because the risk of cholesterol escaping into your bloodstream with this type of food is high.

Bad cholesterol will always be bad, no matter what.

Good cholesterol will always just be not bad.

Unfortunately, that's as good as it gets.

(This article is a summary of a column by Prof Martijn Katan in the NRC Handelsblad.)



CPSA Information Directory

INCOME SECURITY

Centrelink
Age Pension **13 23 00**
DSP/Carer benefits **13 27 17**
Family Assistance **13 61 50**

Welfare Rights Centre
1800 226 028

British Pensions in Australia
1300 308 353

HOUSING

Housing NSW
Public and community housing
1800 422 322

Tenants' Union Advice Line
1800 251 101

Tenancy Advice & Advocacy Service
Find your local service
tenants.org.au

GOODS & SERVICES

NSW Energy & Water Ombudsman (EWON)
1800 246 545

Telecommunications Industry Ombudsman
1800 062 058

NSW Seniors Card
13 77 88

No Interest Loans Scheme
Loans to purchase essential household items
13 64 57

Energy Made Easy
Price comparisons
1300 585 165
energymadeeasy.gov.au

Find the help you need with
myagedcare
1800 200 422
www.myagedcare.gov.au

Carer Gateway
Emotional, practical and financial support for carers
1800 422 737

NSW Ageing and Disability Abuse Helpline
1800 628 221
(Mon-Fri 9-5)

medicare
132 011
24/7
GENERAL ENQUIRIES HELPLINE

Advance Care Planning Australia
BE OPEN | BE READY | BE HEARD
1300 208 582
PLANNING FUTURE HEALTHCARE PREFERENCES

ndis
National Disability Insurance Scheme
1800 800 110
DISABILITY SUPPORT FOR PEOPLE UNDER 65

afca
Australian Financial Complaints Authority
1800 931 678
DISPUTE RESOLUTION FOR FINANCIAL SERVICES

HEALTH, WELLBEING & TRANSPORT

Office of Hearing Services
Subsidised hearing aids
1800 500 726

National Dementia Helpline
1800 100 500

VisionCare
Subsidised spectacles
1300 847 466

Taxi Transport Subsidy Scheme
transport.nsw.gov.au/ttss
1800 623 724

National Continence Helpline
1800 330 066

Rape Crisis Centre
24hours/7days
1800 424 017

National Domestic Violence Helpline
1800 200 526

NSW Health Care Commission
1800 043 159

Carers NSW
1800 242 636

Aged Care Complaints Commissioner
1800 951 822

Lifeline
13 11 14

Australian Men's Sheds
1300 550 009

NSW Public Dental Health Services
Call NSW Health for details
1800 639 398

Cancer Council NSW
13 11 20

Exit International
Information about euthanasia
1300 103 948

Mental Health Crisis Team
24/7 for mentally ill people in crisis
6205 1065

LEGAL

Seniors Rights Service
Retirement village advocacy
1800 424 079

Fair Trading
Rental bond and tenancy info
13 32 20

Law Access
Referrals for legal help
1300 888 529

NSW Dispute Resolution
1800 990 777

Women's Legal Services NSW
Family law, domestic, violence, sexual assault & discrimination
1800 801 501

RIGHTS

Australian Human Rights Commission
Complaints about discrimination
1300 369 711

Commonwealth Ombudsman
1300 362 072

NSW Ombudsman's Office
1800 451 524

NSW Trustee and Guardian
1300 360 466

Guardianship Tribunal
1300 006 228

Older Persons Advocacy Network (OPAN)
Individual advocacy for aged care recipients
1800 700 600

Giggle Page

"YOU KNOW DARN WELL THAT'S NOT WHAT I MEANT WHEN I SAID SIT!"

Crossword Solution

Crossword on Page 4

	1 R		2 V		3 S		4 M		5 S		6 L		7 C	
8 C	E	M	E	N	T		9 E	Y	E	S	I	G	H	T
	T		R		U		A		M		F		A	
10 B	A	L	M		11 B	A	N	N	I	S	T	E	R	S
	I		I		B								G	
12 B	L	A	C	K	O	U	13 T		14 D	U	15 P	L	E	X
	E		E		R		O				R			
16 O	R	A	L		17 N	E	W	E	18 L		19 E	D	20 A	M
			L				E		I		C		N	
21 A	22 S	P	I	R	E		23 L	I	B	R	A	T	E	S
	L								E		R		M	
24 N	E	G	25 O	T	26 I	A	27 T	O	R		28 I	R	O	N
	E		V		S		I		A		O		N	
29 A	P	P	E	A	L	E	D		30 T	O	U	R	E	D
	Y		R		E		E		E		S		S	