CPSA
COMBINED PENSIONERS
& SUPERANNUATS
ASSOCIATION OF NSW INC

THE VOICE
OF PENSIONERS AND SUPERANNUANTS

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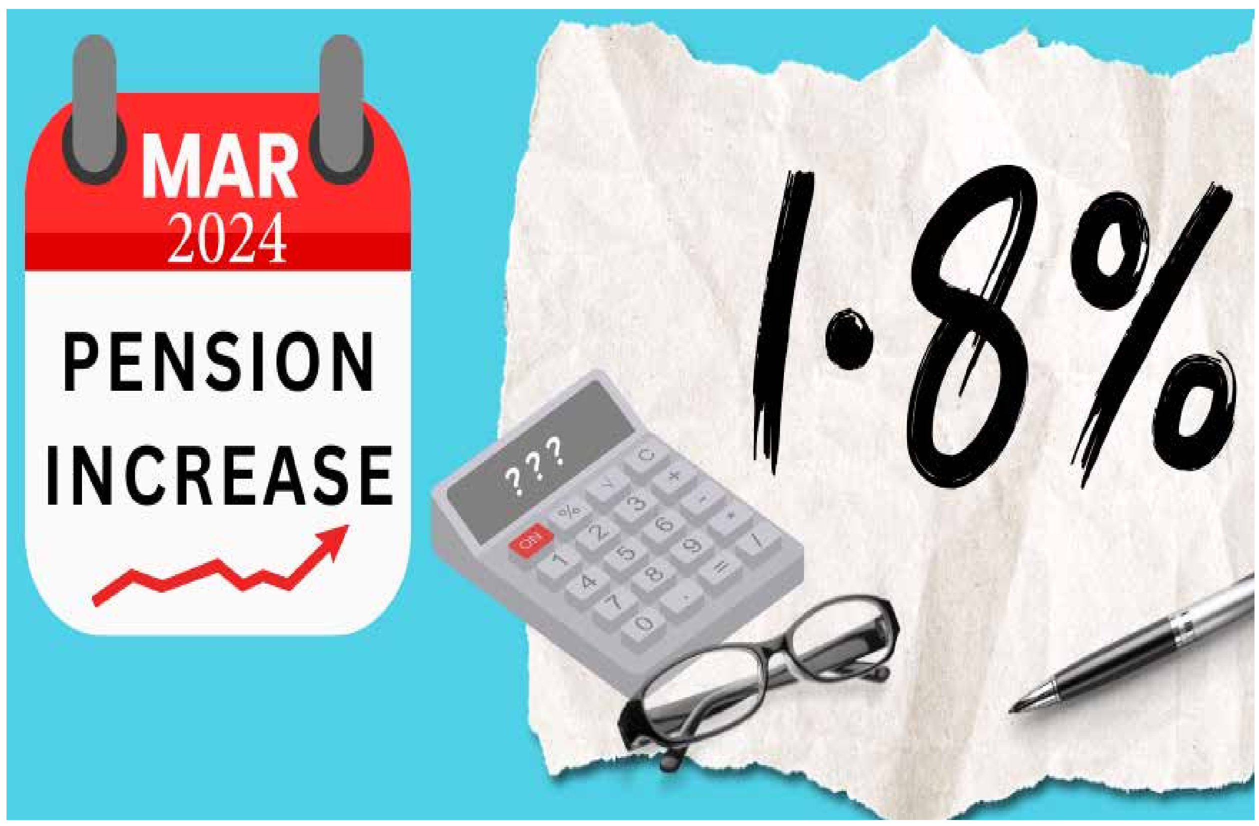
SPEAKING OUT FOR PENSIONERS SINCE 1931

WHAT TO EXPECT AFTER THE MARCH 2024 PENSION INCREASE



THE most recent figures for the Pensioner and Beneficiary Living Cost Index (PBLCI) were released by the Australian Bureau of Statistics (ABS) in early February.

Over the past six months the PBLCI has increased by 1.5%. This follows the announcement that CPI has increased by 1.8% in the same period.

This means that the Age Pension will likely increase by 1.8% on 20 March 2024. For reference, the last half-yearly increase on 20 September 2023 was 3.2%.

CPI is the official measure of inflation in Australia and is calculated by the ABS. CPI measures changes in the cost of a select range of expenses, known as a 'basket'. This 'basket' is updated yearly to make sure that it reflects household spending patterns.

The PBLCI is similar but measures the change in prices of things that people receiving a pension (or other government payment) are likely to spend their money on.

CPSA has crunched the numbers and we have figured out how much extra you can expect from the March 2024 pension increase if you are receiving the maximum Age Pension, Carer Payment, Service Pension or Disability Support Pension.

Please keep in mind that these figures are approximate. The final amounts may be slightly different due to rounding and are subject to changes that CPSA may not be aware of.

Couples rate: if you receive a combined payment you can expect to receive $29.40 extra per fortnight, or $14.70 each. The total amount will vary but if you are currently receiving the full combined pension rate of $1,653.40 you are set to receive $1,682.80 from 20 March 2024.

Single rate (including couples apart due to ill health): the single rate is expected to increase by $19.50 a fortnight. If you are currently being paid $1,096.70 each fortnight, you will likely receive $1,116.20 after the March 2024 pension increase.

These estimates include the energy supplement, which is not indexed and is only available to those who were receiving it before 20 September 2016. If you do not receive the energy supplement, don't worry too much – it's only $13.10 a fortnight.

JobSeeker payment will also be indexed on March 20. The maximum rate for people over 55 should increase by approximately $14.40 to $816.90 a fortnight. The maximum rate for single people with no children should increase by $13.50, and the partnered rate by $12.30.

Considering the current economic climate, this news isn't great – at least not in the short-term. It is good that inflation has slowed down, but until interest rates drop things are going to remain tight for those of us without much in the way of savings.

It will also be interesting to see what announcements are made in relation to deeming rates, which are set to change from July 2024.

In the meantime CPSA will continue to advocate for increases to rebates and concessions for people on a low income, as well as the indexation of payment rates and income limits.

If you would like to see the full table used for this article, please get in touch.

CPSA Letters

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Paper or plastic?

A FEW days ago, I received a replacement Pensioner Concession Card. As before, it is printed on that very thin cardboard, which, like my previous card, had gradually disintegrated in my wallet.

Question: Why is the Australian Pensioner Concession Card not produced as an ordinary plastic card like every other card is: debit cards and VISA cards, drivers licenses, MYKI travel cards (Melbourne), library cards, etc, etc, etc?

I can't think of another card which is NOT produced on the universal plastic card. What possible explanation is there for this contemptuous, condescending, mean-spirited failure?

The answer cannot be cost because plastic cards cost about $2 each and are issued for 12 years!

John Lewis

Cheques out, expenses up

WITH cheques mostly gone, one has to decide to use a credit card and thus hand over financial details or use the provider's BSB and account number to enable direct debit into the provider's account. The latter seems the safest.

Mr. Staker's letter (*THE VOICE*, February 2024) highlights the increases of most of the major personal expenses and sadly also shows what little retirees can do about it. We do need "budget" home and health insurance schemes but it is a long way off.

Perhaps *THE VOICE* could run an article on how many people have given away home insurance and health insurance. Charities may also find it harder to get a donation with cheques on the way out.

Bob Meadley

Sick of blatant price gouging

REGARDING the matter of price gouging, why does it take so long to pursue the obvious and correct the problem?

I have seen a compressor from a large sales organisation selling last year for $400 now selling for $800. If this is not profiteering then we must be stupid. Why can't these companies be disgraced and fined for causing inflation?

It's time the government did some solid action to the companies who are ruining the lives of the poorer working class in this country.

Garth Daddy

The cost of going cash-free

I WOULD like to bring this to the notice of the people who haven't considered the ramifications of a cashless society.

CPSA COMBINED PENSIONERS & SUPERANNUANTS ASSOCIATION

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Membership is open to all who support the aims and objectives of CPSA

- ☐ I'd like to **renew** my membership or **join CPSA** as a Member and I 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.
- ☐ Please send me information about my nearest Branch.
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- ☐ I belong to an organisation and would like information about how we can become a Branch or an Affiliate of CPSA. (NB: Branches are covered by CPSA's $20 million Public Liability Insurance.)
- ☐ Please add a $5 / other: ____ donation to my membership so I can be a CPSA supporter. (All donations above $2 are tax deductible.)
- ☐ Please send me information about making a bequest to CPSA in my will.
- ☐ Yes, I agree to CPSA using my mobile number to send me information and other Member communication.
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Name:______________________________
Address:______________________________
State:__________ Postcode:________
Phone: ______________________ Mobile:______________________
Email:______________________________
Payment details (for credit card):
Name on card:__________________ Card Number:__________________
Expiry:______ Amount:_______ Signature:________________
Please send to: CPSA, Level 3, 17-21 Macquarie St, Parramatta NSW 2150

CPSA News

This control of our money by being forced to use digital cards is not beneficial to the general public. There will be no way to save money for unexpected emergencies.

No privacy as to where we spend or give away our money for services, such as local SES, fire, ambulance men and women or even the little ones for an ice cream.

At the moment we can send cheques for children's and grandchildren's birthdays and Christmases. What happens when, as predicted, cheques are made obsolete? To send money from bank to bank is allowing more people to access everyone's complete banking information.

Now we have discussions on closing postal services which means bills can't be paid by cheque as in the past. Magazines and newsletters going online i.e. CPSA may not be available to the elderly who dislike computers.

When we are forced to use cards or computers for every transaction it will be recorded and controlled. What happens in a power black-out or you are ill and unable to access your own money?

At one time the police, railway and post offices were non-profit. The profitable area subsidised the less profitable and the service was a SERVICE to the public.

Please help save our cash, cheques and postal services.

Mavis Gunter

Break up the monopolies!

THANK you for the great story on giving ACCC greater powers and tightening merger rules and notifications. They should also have power to demerge large corporate monopolies.

We need government and its agencies to work for us. I am tired of being abused, spoken down to by these government and corporate clowns.

James Heath

Send a letter to *THE VOICE*

THE VOICE, CPSA
Level 3, 17-21 Macquarie Street,
Parramatta NSW 2150
voice@cpsa.org.au

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.

CPSA Constitution and Annual Report

Please ring Head Office on 1800 451 488 if you would like a copy of the CPSA Constitution or CPSA's 2022/23 Annual Report to be posted to you. Alternatively, copies can be obtained online at www.cpsa.org.au/about-combined-pensioners-and-superannuants-association/

CPSA Funding

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Donations

THE VOICE publishes donations to CPSA of $35 and over. All other donations are most welcome and equally appreciated.

Lee Warn	$35
Max Blanch	$35

HAVE YOUR SAY ABOUT BUSES IN YOUR LOCAL AREA

DO you catch the bus to get around? If so, do you have something to say about your experience?

The NSW Government has created a Bus Industry Taskforce that will make recommendations to improve the reliability and quality of bus services across NSW.

You can let the NSW Government know what you think by filling in an online survey that asks questions about bus routes in your local area. This includes questions about what works, what doesn't work, and your ideas to fix things up. The survey will be open until 31 March 2024.

If there is more that you'd like to say, you can also make a submission that goes into more detail. This can be written it as a letter, though you will have to submit it online.

If you would like more information or some help you can call CPSA on 1800 451 488. We can fill out the survey for you over the phone or provide other support if needed. We will make sure you get a chance to have your say.

You can find the survey or make a submission to the Bus Industry Taskforce at transport.nsw.gov.au before 31 March.

CPSA News

Calling 000: What you need to know in an emergency

IF you've never had to call 000 before, it can be difficult to know what to expect, especially in the middle of an emergency. The stress of the situation can also make some important pieces of information more difficult to remember.

When you call 000, the first person you will speak to will be a Telstra operator. They'll ask you if you need Police, Fire or Ambulance. They will also ask your location.

The operator will then transfer you to an emergency service operator who will ask you for more details about the situation. They will also ask for your address including the nearest cross street, so try to have this information on hand.

If you are calling from a rural property, you will need to provide the full address of the property as well as distances and directions from nearby roads and landmarks.

If you are calling from a motorway or rural highway, you will also be asked which direction you're travelling and the last exit or town that you passed.

The operator will then ask you about the emergency. If you are calling for an ambulance, they may ask what happened to the sick or injured person, whether they are bleeding, whether they are breathing normally, etc. Try to be as clear as possible answering these questions. They will need you to stay with the injured person while you are on the phone.

If you have another person with you (aside from the sick or injured person), send them outside to make sure your property number is visible from the street, and to make sure any gates or doors are unlocked. You'll also be asked to secure any pets.

Stay on the line until the operator tells you it is ok to hang up. If you are at a public venue like an RSL or leisure centre, ask one of the employees to call for you. They'll know the cross streets and all the other essential info.

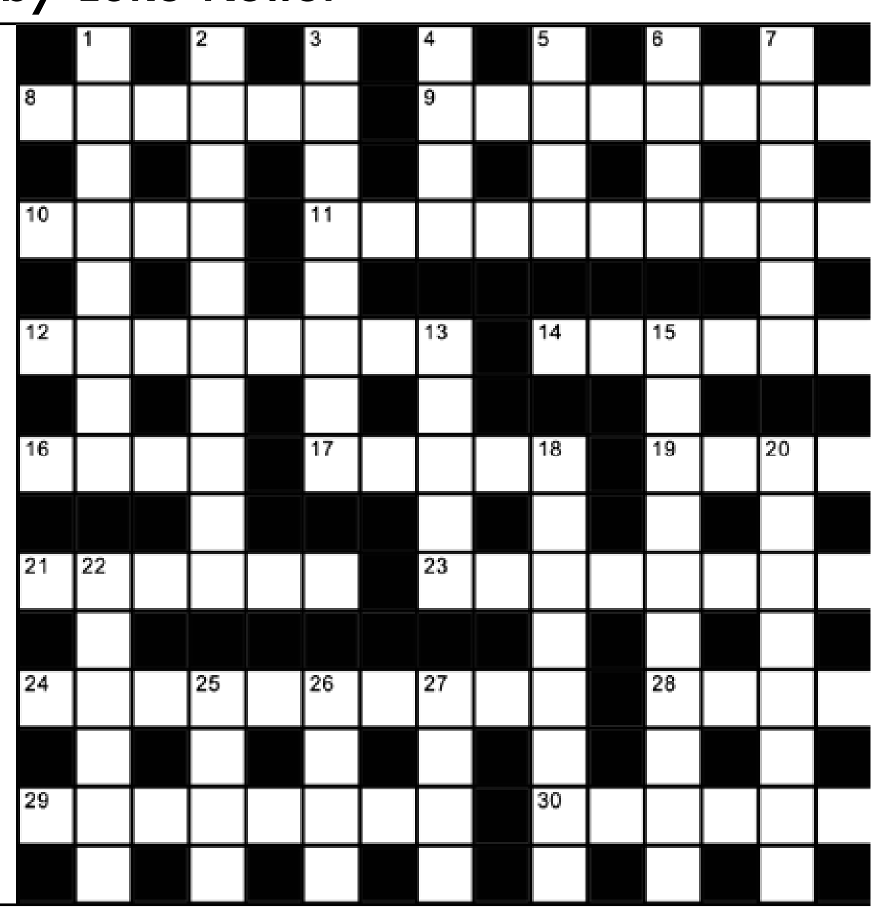
If you have a hearing or speech impairment and use a text phone, you can call 106 instead of 000 to access a text-based emergency service line.

Crossword by Luke Koller

Across
8 Japanese attire
9 Hot-headed
10 Not busy
11 Australian bird
12 Flammable liquid used as solvents
14 Surrounds a house
16 Found in 14 across
17 Put seeds into the ground
19 A thought
21 Blossom
23 Winter weather
24 Exciting undertakings
28 Not common
29 Tunes
30 Fitted together

Down
1 Place for birds
2 Sign of something to come
3 Place to purchase books
4 The repetition of a sound
5 Prolonged unconsciousness
6 A list of dishes available
7 Latin word for third
13 Elegant birds
15 Forest with plenty of rain
18 100 times 10
20 Made bigger
22 Used for climbing
25 Inflated feelings of pride
26 A small branch
27 A dusty pink colour

Solution on back page



CPSA News

What you're saving in dollars, you might be paying in data

LOYALTY programs may seem like a good option if you're trying to reduce your grocery bill, but you might want to think twice before signing over your information.

A survey from consumer watchdog CHOICE a few years ago found that 90% of Australians were members of at least one loyalty program.

Amidst an ongoing cost of living crisis, these programs may be tempting. In fact, in the 2023 financial year when food prices went up by 7.5%, Woolworths netted 750,000 new sign ups to its 'Everyday Rewards' loyalty program.

However, most of these programs are significantly more sophisticated, and shadier, than your local café's stamp card. When you sign up to most loyalty programs, you're also signing over your data for companies to use (and profit from) in a range of different ways.

Signing up for a loyalty program might involve giving over information like your age, email address or phone number. When you begin using a loyalty program, you will also be giving companies your purchasing data: they'll see which products you tend to buy and when, where you shop and how much you spend. Companies can then combine this information with other details found online, through your social media accounts or from websites that track your internet use.

This information will help companies decide how to market to you so that you spend more money, or at least shop with them rather than with a competitor. They might start emailing you about particular products that they think you'll buy, or they'll offer you specials on a regular basis. In some cases, companies like airlines will change the prices they offer you online depending on your browsing behaviour or the information that they've collected about you.

Companies can also sell your data to other businesses or so-called 'data brokers' who collect information from a range of sources to produce more detailed profiles that they can then sell as a marketing tool.

While the Australian Competition and Consumer Commission (ACCC) has recently reviewed the laws surrounding the use of your data, the Australian Government is yet to enact a lot of the ACCC's recommendations, and has decided not to give consumers a blanket right to opt-out of targeted advertising.

Aside from the murky ways in which they collect and use your data, loyalty programs have other issues. They can, for instance, offer another way for scammers to impersonate a trusted organisation. They can also cement the market power of already powerful companies. After all, your local independent grocer probably can't offer you the same calibre of deals, let alone make a fortune collecting and selling your data.

Importantly though, the pressure of rising prices means that many people don't have the luxury of choice when it comes to these programs. As CPSA noted in our submission to the Senate's inquiry into supermarket prices: "customers are faced with a choice to either sign over their data with no way of knowing how it will be used, or pay higher prices for their groceries at a time when many people are struggling".

A range of advocates and researchers have called on the Australian Government to reform the Privacy Act to change the ways that companies can collect, store and use our data. In addition, the ACCC and the Office of the Australian Information Commissioner (OAIC) have recommended that customers be given more control over their own data so that they can opt out of having their information collected or tell companies to delete their data. While the Government has 'agreed in principle' to the majority of the ACCC's recommendations, it could be a while before these changes are implemented.

Find-A-Word by Luke Koller

C	H	I	C	O	R	Y	E	G	G	P	L	A	N	T
A	C	R	E	D	C	G	N	I	E	P	N	Q	F	R
R	H	P	C	H	A	R	D	D	C	H	I	L	I	F
R	I	O	A	S	W	E	E	T	P	O	T	A	T	O
O	V	Y	N	R	Y	W	C	S	R	W	K	G	C	K
T	E	X	Y	C	S	P	E	A	S	B	B	R	H	Z
M	A	R	R	O	W	L	L	G	R	N	E	E	A	S
T	A	G	O	U	R	D	E	X	G	P	A	E	Z	K
U	O	I	S	R	E	H	R	Y	A	D	N	N	T	L
R	P	M	Z	G	L	H	Y	C	R	E	N	S	W	E
N	U	K	A	E	S	C	H	A	L	O	T	A	W	E
I	L	E	N	T	I	L	T	T	I	C	O	R	N	K
P	S	N	P	T	O	S	T	N	C	O	K	A	L	E
G	E	O	O	E	U	E	O	G	D	L	Y	A	M	A
F	K	M	Y	M	N	M	C	E	L	E	R	I	A	C

VEGETABLES

bean	eschalot	parsley
beet	fennel	pea
caper	fitch	pulse
carrot	garlic	sage
celeriac	gourd	soy
celery	greens	swede
chard	kale	sweet potato
chicory	leek	tomato
chili	lentil	turnip
chive	maize	yam
cole	marrow	
corn	mustard	
courgette	nettle	
cress	okra	
eggplant	onion	

Solution on back page

CPSA News

Will 'name and shame' system help to rein in price gouging?

THIS month, the Australian Council of Trade Unions (ACTU) released its inquiry into price gouging, chaired by the former head of the Australian Competition and Consumer Commission (ACCC), Professor Allan Fels, AO. The inquiry explored price hikes across the entire economy, from childcare to aviation, energy bills to supermarket prices.

Among its conclusions were two important points. First, prices have increased significantly across all the sectors covered by the inquiry. Second, (as we argued in our submission to the Senate's supermarket price inquiry), these price increases have been largely caused by companies raising their profits while everyone else does it tough.

In their submission to the Senate's inquiry, Coles tried to explain their price increases by pointing to "External factors impacting global supply chains" (i.e. COVID-19, the invasion of Ukraine, etc.).

They also suggested that their suppliers were driving the prices up, but this conflicts with what farmers have been saying about the prices they get from the two major supermarket chains.

While the ACCC's investigation into supermarket prices will be able to see all the details of the supermarkets' prices, the ACTU's findings are already painting a damning picture for corporate profits.

One of the ACTU's recommendations for reining in corporate price gouging is to revive a Howard Government policy from the early 2000s that would enable the ACCC to name and shame companies that raised their profits significantly higher than their input costs.

In 2000, when the Coalition Government under John Howard introduced the Goods and Services Tax (GST), it also gave the ACCC the power to publicly declare when businesses raised their prices higher than what was added by GST. The logic behind the decision was simple: Consumers will be expecting a price increase, but they may not always know by how much prices will go up, so businesses have to be called out if they exploit consumers' confusion in order to increase their prices and their profits.

While naming and shaming does not go as far as the price controls that a lot of people have called for, it may still be an effective strategy to bring down prices, or at least limit the ability of businesses to keep raising them.

It's worth noting that the prices of some groceries dropped earlier this month, seemingly in response to a swell of public pressure and the looming threat of the ACCC inquiry. So, calling out bad practices and equipping consumers with additional information can't hurt.

CPSA supports any policies or regulatory changes that protect consumers from unfair prices. We also support greater transparency in price setting practices and greater information for consumers.

Competition watchdog wants more power

THERE are no hard-and-fast rules for notifying the ACCC about an acquisition or merger. It's a voluntary process, and sometimes the ACCC gets the heads up far too late.

If the ACCC investigates and determines that a merger may breach competition laws, they must prove that to the Federal Court. There needs to be a lot of evidence, but it can prove a major stumbling block for a merger-to-be.

As these deals are often a lengthy, expensive process, it's recommended that the parties involved take the route of seeking the ACCC's approval before things get that far. Of course, not everyone does this. It's not an ideal regulatory framework.

Recently, it came to light that a large retailer that sells pet supplies had bought up several smaller chains and independent stores over a number of years.

Petspiration Group operates under a range of names, including PETstock, Pet City and My Pet Warehouse. They own 63 vet hospitals across Australia, 276 retail stores, and have a booming online business as well as their own store brand range.

It's estimated that Australians own nearly 30 million pets, and that we spend around $33 billion annually on our furry (and non-furry) animal friends. It's big business.

The ACCC was never notified that Petspiration had acquired any of these other brands, accumulating a large share of the market. In fact, these events only came to their attention when Woolworths Group attempted to acquire a 55% stake in the business, a deal worth something in the ballpark of $586 million.

In short, the ACCC was not impressed to discover that so many brands had already been acquired by one retailer without their knowledge.

In response to the ACCC's concerns, Petspiration Group has sold a portion of its assets, including 41 of its retail stores and two of its online brands. After public consultation, the ACCC allowed the deal with Woolworths Group to go ahead.

However, this situation has drawn attention to the limit of the ACCC's powers in its role as the competition watchdog.

As stated earlier, there's no law that requires companies to disclose planned mergers or acquisitions. If the ACCC gets wind of something, they can investigate and seek remediation through the courts – but it's not impossible that they might miss something that has significant long-term consequences.

The ACCC wants this to change, making it mandatory to notify them of mergers over a certain threshold.

Another idea is for the burden of proof to be shifted to the merging parties. This means that companies would have to convince the ACCC that their deal won't significantly limit competition.

The ACCC also wants to introduce a 'precautionary principle'. This means that they may be able to block a business deal on the grounds that any damage has the potential to be irreversible.

For an example of why large

market shares are an issue, you only have to look to Australia's most famous duopoly in the supermarket sector, who are currently accused of underpaying suppliers, overcharging customers and driving inflation.

Without competition, retailers can essentially set their own prices. Once smaller businesses are run out or bought out, there's not much that can be done. If the butcher is closed, you're stuck with the supermarket. So, better anti-competition rules can't be a bad thing, right?

There are some who are saying this is a step too far and that there's no issue here to be solved.

Well, that really depends on your perspective. Or more likely, whether you are someone who's paying the price due to concentrated market power.

Even if it were the case that there is no problem, our anti-competition rules are designed to protect consumers and small business owners. It's far easier to prevent a monopoly than to break one up, as anyone who's ever played the game will already know.

Unsurprisingly, the Business Council of Australia isn't keen on any major changes. We're sure that the rat council would be against tougher extermination rules, too.

Aged Care star ratings: What are they, and do they mean anything?

IN December 2022, star ratings for aged care homes were introduced. The system has been controversial.

The star rating system is intended to offer a straightforward way to compare the quality of aged care homes. This information is found by searching for a provider on the My Aged Care website, which then gives detailed information on each facility's star rating.

However, there are criticisms that the system might be misleading to those who take it at face value and that it does not go far enough to separate the good, the bad and the ugly. Others argue that unfair pressure is being put on aged care providers that are struggling with staffing.

There are four areas that are looked at, which all receive a star rating. The key areas that are measured to determine a facility's star rating are:

Residents' experience: An independent third-party group attends the aged care facility and interviews a small number of residents, who are randomly selected. The survey has 12 questions. Providers can decline to participate, but they will automatically be given a one-star rating in this category – which would have a big impact on their overall rating as residents' experiences makes up a third of the final score. Surveys are conducted yearly.

Compliance: The Aged Care Quality and Safety Commission visits the aged care home to check for compliance with government regulations and standards and can direct the provider to fix issues if needed. Facilities that seriously breach regulations can be forced to stop accepting new residents, limit their fees or even repay fees. A five-star rating means that the facility has not been given a formal warning (or 'notice of breach') in at least 3 years. Compliance makes up 30% of the star rating.

Staffing: Residential aged care providers must report on how much care each resident receives daily, which should be averaged out at 200 minutes. This includes help with daily tasks and personal care, making appointments and treatment planning, as well as at least 40 minutes of clinical care delivered by a Registered Nurse. This score is updated every 3 months and makes up 20% of the star rating. To get top marks, facilities have to exceed targets.

Quality measures: Providers must report on pressure injuries, restrictive practices, unplanned weight loss, falls and major injuries, and medication management. This data is compared to a national average to determine how an aged

Continued page 8

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care home measures up, and to identify opportunities for quality improvement across the sector. This determines 15% of the overall star rating.

Unfortunately, the star rating system might suggest that a facility is better than it is. The Australian Government describes high quality care on the My Aged Care website as “meeting regulatory and health care requirements and providing enough staff”. One might argue that these indicators really represent the base line of care that should be provided rather than signalling a top-tier aged care facility.

Indeed, based on these measures it’s ghastly to think of what a one-star facility might look like.

For example, to receive a five-star rating in ‘quality measures’, an aged care home must be reporting less falls and major injuries than other facilities. This does not mean that there are no preventable falls occurring, just that everyone else is doing a worse job (or a better job with reporting).

Meanwhile, the Australian Government is being lambasted by providers for imposing strict operating requirements that are impacting the profitability of aged care facilities, which are facing staffing shortages and administrative burdens as they struggle to catch up to new regulations.

This is a particular issue in regional and rural areas where it is difficult to hire and retain skilled staff. Many facilities have been given special dispensation to operate without adequate staff, as the alternative is to leave the area without residential aged care. No one wants to move hours away from their family and community.

All-in-all, things are still a mess and there isn’t too much a star system can do to fix that. Realistically, what’s really needed is greater investment into the sector. The debate about where this money will come from continues.

A recent survey suggests that most of us would prefer to stay at home as long as possible, with the support of home care services. At least 1 in 5 said that they would not consider moving into an aged care facility under any circumstances.

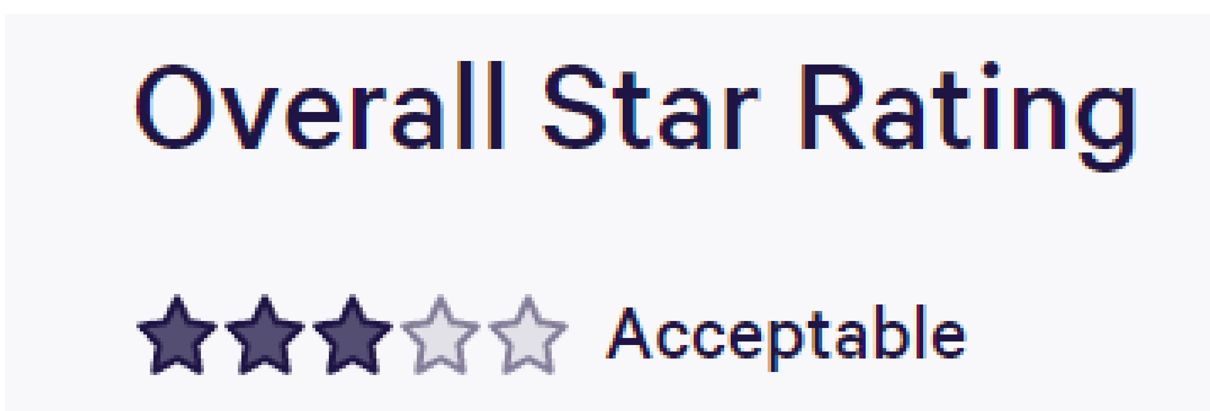
There is a long way to go to improve the quality of residential aged care in Australia. Despite flaws in the system, aged care star ratings are providing a motivation for aged care providers to pick up their game, and a framework for quality improvement. In future we would like to see providers display this information on their website and in a prominent place onsite, in a similar manner to food hygiene ratings.

Despite its flaws, the star rating system has the potential support people to make informed decisions about aged care. Whilst the ratings on their own can only provide a small insight into the care provided at a facility, it is one piece of the puzzle.

If you are trying to make a decision about aged care or are supporting someone else in this process, it might help to try to arrange respite care for a short period of time at a potential aged care home.

It is also a good idea to search the Aged Care Quality and Safety Commission’s register that lists breaches of quality standards. Some breaches might be more important to you than others, and unless formal directions are made these incidents might not impact star ratings at all.

Making the decision to move into residential aged care is difficult for many reasons. Whilst the rating system is flawed, it is one step towards a transparent and high-quality aged care system. The rest will take time.



Negative gearing: Should it get the axe?

TAX reform is certainly something that’s on the agenda, and everyone seems to have a different opinion. As the joke goes, “for every economist there’s an equal and opposite economist”.

There are all sorts of ideas floating around, but one of the hot topics right now is negative gearing. Don’t worry if you need a refresher on what that is, we’ll get into it.

For context, there’s a tenuous balance of power in the Senate. Labor needs support from the Greens and at least two crossbenchers to get their ‘help to buy’ housing scheme through.

In fact, they can’t get much through without that support, unless the Coalition is on board. Whilst Labor holds a very slim majority in the House of Representatives, they currently hold only 26 of 76 seats in the Senate.

In exchange for their support, the Greens want to see big changes to tax concessions for investors, and they’re more than willing to push the issue.

The term ‘negative gearing’ isn’t something you’ll find in legislation. The Treasury defines it as “a commonly used term used to describe a situation where expenses associated with an asset (including interest expenses) are greater than the income earned from the asset”.

So, really, negative gearing is offsetting income tax by reporting a loss from an investment.

If you made $50,000 in rent on an investment property but spent $60,000 on expenses such as mortgage repayments, insurance, council rates, maintenance costs and agent fees, you get to knock that $10,000 off your taxable income. The rest isn’t counted as income at all.

Meanwhile, you’re sitting on an asset that is very likely to increase in value. This wouldn’t be as enticing

for people on the lower end of the wealth scale, but for people who are paying a higher marginal tax rate and have money in the bank? Well, why not.

The trouble is, this turns housing into an investment opportunity and a clever tax loophole rather than… well, rather than a basic human right.

Some investors might choose to maintain a loan that they can afford to pay off, simply because they can write off interest as a loss and still hold on to the property with the expectation that its value will increase.

According to recent data from the Commonwealth Bank, about 80% of applicants for investor home loans are earning between $150,000 and $500,000 a year.

Negative gearing is also the reason that some investors don't mind if a property sits empty. Taxpayers subsidise the cost of leaving homes to gather dust, even while we desperately scramble to improve the housing crisis.

Meanwhile, last year Anglicare reported that less than 0.5% of private rentals were affordable for a person living on a pension.

To be clear, there are many small-time investors with one investment property that is being paid off using rental income. This is a common strategy for retirement planning. The issue here is not with this group of people, nor are we disparaging people with negatively geared properties. The issue here is tax policy that is working to deepen inequality.

Research from the Australia Institute found that most of the benefit of negative gearing goes to high-income households, with only 6% of this tax concession directly benefiting the bottom 20% of earners.

By contrast, somewhere around 50% of negatively geared properties are owned by people who are in the top 20% of earners. In 2019-20, the average household income of this group sat at $4,306 per week after tax. There's no up-to-date data available but you can bet that amount has only gone up.

It's estimated that the average accumulated wealth of this group sits at around $3.2 million. According to a report from the Australian Council of Social Service and the University of New South Wales, the average wealth of this group has grown four times faster than low-income earners.

The reasons for this are complicated, but tax reform is one way that we can slow down the growth of inequality in Australia.

There have been calls for 'political courage' in rolling back tax discounts for investment properties. From elsewhere, there are rumbles of discontent and doubt as the Albanese Government has firmly stated that there are no current plans to axe negative gearing.

For now, the Greens seem firmly committed to pushing this agenda. Their current proposal is for negative gearing to be limited to one investment property and for the extra tax income to be invested into social and affordable housing.

Another option might be to use an income threshold to limit the benefits of negative gearing so that it doesn't unfairly benefit high earners that can and should be paying a higher marginal tax rate.

Historically, this has been seen as a political 'third rail'. As in, if you touch it, you're a goner. But if our politicians make every decision based on re-election, or act only in response to pressure from wealthy and powerful lobbyists rather than looking at expert advice or the economic climate, where does that leave the rest of us?

CPSA's position has long been that Australia's economic policy should prioritise a more equitable distribution of wealth, and that property investors should not have access to tax advantages such as negative gearing as this only serves to deepen wealth inequality.

It's not a simple matter, and there are no simple solutions. However, it's clear that something needs to change and that we need strong leadership to make that happen.

Work for the dole doesn't work for anyone

IN December last year, the House of Representatives Select Committee on Workforce Australia Employment Services released its report on the state of Australia's employment services system.

In it, the Committee described the process of using 'Work for the Dole' and other mutual obligations systems to enforce compliance in the welfare system as "like using a nuclear bomb to kill a mosquito".

In January, the Work for the Dole scheme received another blow to its wounded credibility when the Brotherhood of St. Laurence (BSL), a well-known community services organisation, announced that they would no longer participate in the scheme. The organisation stated that Work for the Dole "operates contrary to BSL's mission, values and stated policy positions, and is not in the best interests of people who are unemployed".

As the name suggests, Work for the Dole is work that you undertake to receive a welfare payment and

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is one of many so-called mutual obligations that people may be made to take part in if they receive a JobSeeker Payment, Youth Allowance or a Parenting Payment.

These mutual obligations include applying for jobs, taking part in online learning modules and fulfilling a 'job plan' laid out by your employment service provider. Notably, Australia's mutual obligation requirements for welfare recipients are some of the harshest in the developed world.

For people who have received one of the above payments for 6 months (or 4 months if you manage your own mutual obligations through Workforce Australia Online), you are tasked with an additional obligation called an 'activity requirement'. Work for the Dole is one of these activity requirements.

Work for the Dole can take a number of forms, but usually involves 30-50 hours per fortnight (less for recipients aged 60 years and over) of unpaid 'volunteer' work for an op-shop or charity organisation, or work as part of a community project like maintaining a community garden or a public park.

Whilst that doesn't sound like such a bad thing, Work for the Dole punishes payment recipients by forcing them to work for far less than the legal per hour minimum wage. It is also ineffective at providing people with skills or experience that may help them find a job, with participation in the scheme increasing the probability of employment within 6 months by less than 2%.

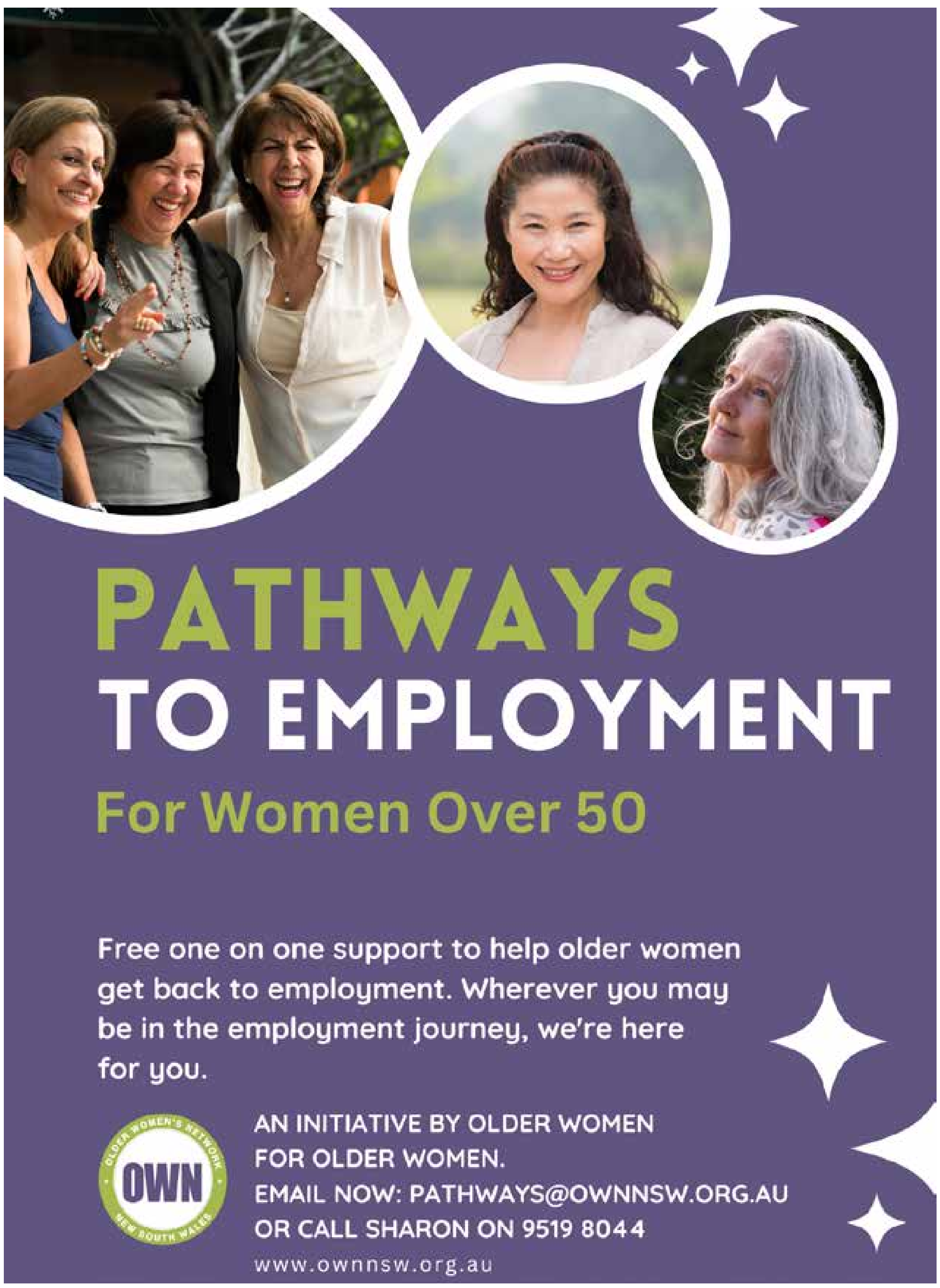
More importantly, it' can be dangerous. A Work for the Dole participant died from a workplace injury in 2016, and a subsequent investigation into his death found that his employment service provider had a history of failing to investigate serious incidents on work sites.

Finally, there's nothing 'mutual' about mutual obligations. One JobSeeker recipient recently received

his first payment after waiting 11 weeks but was nonetheless forced to drive 50km to attend meetings with his employment services provider during that time. This is not an unusual situation.

Whilst the House Committee's report on Workforce Australia concluded that Work for the Dole should be reformed, but should nonetheless continue, Brotherhood of St. Laurence's withdrawal will hopefully set an example for other host organisations to abandon their support of the scheme.

For people in NSW who are having trouble with Centrelink or think that they are going to get in trouble with Centrelink, they can contact the Welfare Rights Centre on 1800 226 028 (toll-free) for legal advice.



CPSA Information Directory

INCOME SECURITY

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

Welfare Rights Centre
1800 226 028

British Pensions in Australia
1300 308 353

National Debt Helpline
1800 007 007

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
myagedcare

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

NSW Ageing and Disability Abuse Helpline
1800 628 221
(Mon-Fri 9-4)
NSW GOVERNMENT

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

Griefline
Phone support for coping with grief
1300 845 745

Grief Australia
1800 62 066

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

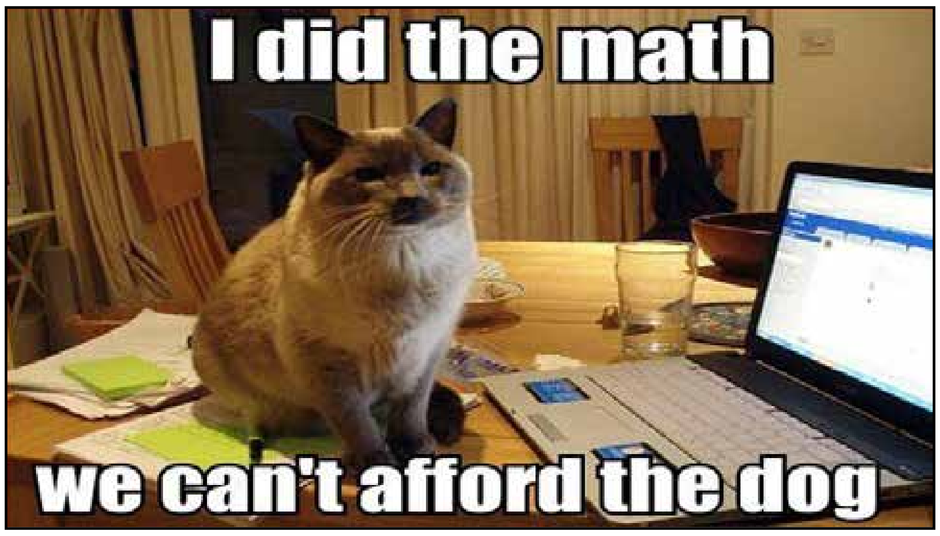
NSW Ombudsman's Office
1800 451 524

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



"I did the math. We can buy more treats."

It was only a matter of time, first hybrids then electric and now vegan.

Crossword Solution

Crossword on Page 4

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

Find-A-Word Solution

Find-A-Word on Page 5

C	H	I	C	O	R	Y	E	G	G	P	L	A	N	T
A	C	R	E	D	C	G	N	I	E	P	N	Q	F	R
R	H	P	C	H	A	R	D	D	C	H	I	L	I	F
R	I	O	A	S	W	E	E	T	P	O	T	A	T	O
O	V	Y	N	R	Y	W	C	S	R	W	K	G	C	K
T	E	X	Y	C	S	P	E	A	S	B	B	R	H	Z
M	A	R	R	O	W	L	L	G	R	N	E	E	A	S
T	A	G	O	U	R	D	E	X	G	P	A	E	Z	K
U	O	I	S	R	E	H	R	Y	A	D	N	N	T	L
R	P	M	Z	G	L	H	Y	C	R	E	N	S	W	E
N	U	K	A	E	S	C	H	A	L	O	T	A	W	E
I	L	E	N	T	I	L	T	T	I	C	O	R	N	K
P	S	N	P	T	O	S	T	N	C	O	K	A	L	E
G	E	O	O	E	U	E	O	G	D	L	Y	A	M	A
F	K	M	Y	M	N	M	C	E	L	E	R	I	A	C