

We The People
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We the People 235 The Great Age Pension Robbery



Good day to you. The stigma of charity should be removed from the age pension. **It should be an entitlement** earned by the person's **personal contribution to the fund**," said **Prime Minister Robert Menzies**. You wouldn't know about it listening to the major parties' politicians or Senate crossbencher David Leyonhjelm who, echoing former Treasurer Joe Hockey, told the ABC he wants Australians to drop their sense of entitlement to the aged pension, which should only be paid to poor people, and receiving it should be "nothing to be proud of".

PM Menzies insisted that the Compulsory Contribution levy should be kept completely separate, that it should be paid straight into a trust account and not consolidated revenue. Most pensioners worked and spent a lifetime paying for their pensions. It's not welfare and when it was introduced, it was actually meant to be an entitlement. A 7.5 per cent tithe was taken from wages to put into a fund to pay their pensions just as workers now have superannuation collected. Unfortunately the Labor Party insisted the contributions **should not** be kept in individual accounts as in the UK and the US where retirees get the entitlement earned by their contributions. Instead, it all went into one big pot, the National Welfare Fund. And when the pot got really big, the politicians took it. They won't talk about the historical facts because these days politicians have developed a new "ending the age of entitlement" narrative while pushing the disingenuous line that younger workers are paying tax to support pensioners.

Menzies was opposition leader when then prime minister Ben Chifley announced a National Welfare Fund to pay for pensions, unemployment relief, child endowments, even health care with a 7.5 per cent tax increase. Menzies insisted that the levy should be kept separate and that it should be paid straight into a trust account. The levy and the National Welfare Fund began on January 1, 1946, and contributions were shown separately on workers' personal tax assessments for 1946 to 1950, with the money paid straight into the special fund from which claims were paid out. In 1950 the balance in the fund was almost £100 million – in today's money the equivalent of several trillion dollars.

But the pot was too big for the politicians to leave alone. The Labor Party, amended the Acts governing the fund so the compulsory contributions levy was lumped in with people's income tax and the whole lot paid straight into consolidated revenue. But the compulsory 7.5 per cent "levy" was still collected and spent. In 1977 Liberal PM Malcolm Fraser transferred the balance left in the welfare fund account, by then worth several trillion in today's dollars, to consolidated revenue. But still the 7.5 per cent was taken out of everyone's pay packet every week. Then in 1985 the Labor Government repealed the National Welfare Acts and introduced income and asset testing, thus excluding millions of levy and taxpaying Australians from receiving the pension for which they had paid. But still the 7.5 per cent levy continued to be collected while hidden in general income tax revenue and to this day it's still collected.

There have been estimates that the trillions of dollars stolen from the fund and the money paid and similarly stolen since 1985 would be enough to pay a non-means-tested pension to every retiree of far more than \$500 a week. If it had been invested, like the Future Fund, the pension might be \$1000 a week. Small beer compared with the politicians' pension deals but a huge leap for older Aussies, 420,000 of whom had their age pensions cancelled or reduced from January 1. Ironically, they are the very pensioners who would have the highest pensions if their personal contribution to the "fund" was the yardstick as in the UK and the US. They probably generally have been Coalition voters but no more. Spend time in the RSLs, bowling clubs, voluntary organisations and the like, where these people gather and it is clear they are Liberal-National voters no more. In lieu of an Australian Trump, they see no alternative but One Nation. The Coalition, supported by Labor and the Greens, has turned 180 degrees from Menzies' view the age pension is **"an entitlement earned by the person's personal contribution to the fund"** and portrays it as charity. For many Australians this alone shows how far the parties they once supported have strayed from principle. The arrogant politicians think they can hypocritically and sanctimoniously speak condescendingly of older Australians. They are in for a shock.

My friend's, these are not my words they are the words of Brian Hale from the Courier Mail. A revolution is about to begin and the sooner the better for all Australian pensioners. My advice is not to vote for Labor, the Coalition or the Greens, rather find a better option and there is one at hand.

Until next time this is Kent Bayley