SUBMISSION 42

Bryant, Sharon (REPS)

From: Peter Goddard [redacted]
Sent: Monday, 29 August 2005 3:51 PM
To: Committee, EFPA (REPS)
Subject: Under 40 superannuation

Given this email address from Aug/Sep 2005 issue of National Accountant, as a retired ANIA I propose the following - if this is not too late.

The basis of adequate superannuation seems to be an input of at least 15% per annum of gross salary until retirement 60+ with anything like current expectations of life. The current 9% is clearly inadequate and will create serious budgetary problems with Centrelink type age pension costs in 25 years time - if not sooner.

One simple approach which should not affect employers too seriously would be to abolish long service leave (LSL - effectively costing 2.5% per annum) and pay this into superannuation. This would raise the level to 11.5% at least. LSL is a colonialist hang-over from the time when it took 8 weeks for senior public servants to travel to UK and back by ship. Since air travel reduces this to 2 days and since we now commonly have 4 weeks annual leave there can be no justification for long service leave.

A further possibility, for funding the remaining 3% for super, is to increase GST (18 - 20% in Europe) by 2% or so - although this may be needed to fund reduced and simplified income tax rates for both low and higher income earners.

As a retired Commonwealth Public servant, I have no particular axe to grind in this matter other than avoiding future budgetary problems that could affect any grandchildren!!

Yours faithfully

Peter N L Goddard BSc, ANIA

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