

✓ Chairman
Senate Select Committee on
Superannuation and Financial Services
Parliament House
Canberra

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Copies to
Mr D. Dixon
SCOA

Dear Senator

**APS & Military Superannuation - indexation
And their 'special' taxation**

Attached (1) is an article by Mr Daryl Dixon in regard to Commonwealth Superannuation. Attached at (2 onward) are copies of correspondence with the Minister for Finance and the Assistant Treasurer. You will see that despite raising issues (since July '00), that are likely to be dealt with in your enquiry I was not advised that there was to be a hearing.

Given the short time, I should be grateful if you would treat my submissions to the Ministers as being made to yourselves. You will see that current with this I am also writing to COMSUPER, who I am now told can answer the question first put in July i.e. what would my Superannuation be if it had been left on the old index and what it would be if on the Parliamentary one? Also my response (12a & b) to the Assistant Treasurer's office in regard to the cruel taxation of low income people (but there is always money for the 'pork barrel'?).

Mr Dixon also makes reference to an unfunded liability of 70 billion, I shall be writing to him also on this, drawing attention to the table at attachments (6c and d). Given the 'socialist' levels of taxation in Australia, the Govt has a liability to provide 'socialist' benefits including the OAP. I shall seek to ascertain from him whether the figure refers to the whole obligation or only that portion in excess of normal OAP entitlements. To my mind 2/3 rds of the APS would have been better off demanding their salaries up front, rather than settling for the lower pay that went with a pensionable job.

I believe that the description 'benefit' on our COMSUPER statements reflects a psychology that payments are some sort of largesse distributed to unworthy former employees. It would be better if the wording were changed to 'Superannuation payment due'. I was recently discussing these matters with an acquaintance who is a very successful business man. He was outraged and his comment is instructive "If a commercial organisation did this, then the ACCC, if not the Fraud Squad would be right into them".

One realises that it is necessary for the CPI to give a favourable impression to foreign creditors (as do the unemployment 'statistics'). However, Govt. are expected to be 'the good guys' and honour their contracts in spirit as well as in letter. You might also note from the correspondence, the marked reluctance of the Labour and Democrat spokesmen to do anything about this. If Govt. are seen to "Lie, cheat and steal" what should the rest of us do? (The extended argument about the actuarial considerations is in the letter at attachment (6).

A recent program on SBS had an American commentator say "It's time the Republicans and Democrats stopped pretending they are different parties" – Certainly there has to be a Revolution if LibLab Party has forgotten basic honesty and natural justice. With luck, it'll be with ballots rather than bullets, as in Canada.

Yours faithfully



John Reavell 28/1/01

John Reavell

PS - Late inclusion McCrann - Australian