

One rule for them

BY BERNARD SALT



Over the past two years, on both sides of the political spectrum, there have been calls to tighten the rules on retirement planning via superannuation. I get the need to tighten the rules, I do. But here we have the political class pontificating about the unaffordability of the superannuation scheme, which for most people involves siphoning off 9.5 per cent of income into a superannuation fund. Unless of course you happen to be a politician, in which case the figure is 15.4 per cent.

Can someone please explain why there are two rates – two levels of generosity – with the higher level pertaining to the few and the lesser level to the many? Don't even get me started on the range of benefits that apply to the public sector. How is it that the Australian community has allowed

some workers to garner better retirement benefits than others? Why aren't we up in arms?

More to the point, how can politicians carry on about the unsustainability of today's retirement concessions and retain a straight face? How about we start the discussion with a review of *their* benefits? Politicians are sitting there on 15.4 per cent and telling us on 9.5 per cent that we've had it too good for too long. I say, "Let's bring your superannuation

– and that of the entire public sector – into line with the scheme that applies to the general community. How about we have one rate that applies to all?"

What's that you say? Politicians are entitled to a bit of a kicker because their work isn't guaranteed; it's shaky; it's subject to the whims of the electorate? Hello? Try making a go of it in the private sector. No one's job is guaranteed, and no one's job should be underwritten by an overly generous superannuation scheme that is out of whack with that of the average worker.

Anyway, this lot could be earning squillions working in the private sector if they chose to do so. It may have been the case a generation ago that those in the public sector were remunerated poorly relative to the private sector. Not so today. Time to change the rules.

OK, let's start with retired politicians and bureaucrats. No more defined benefits; you get out what you put in plus interest less tax or thereabouts. And if it's too hard to backcalculate what you should be receiving now, we'll deem you to have paid a certain amount based on industry averages. Chances are you won't be entitled to the level of benefits you've been receiving in the past.

I love rule changes so long as they are for all and don't exempt a few. And while I'm on a roll, how about we garnish the retirement benefits of former politicians and retired public servants who after leaving office soak up another sinecure or two with board and ambassadorial appointments? I mean, the only reason they get these appointments is because of the taxpayer-funded role they performed throughout their career, right? Why should the taxpayer pay twice?

If retired politicians are energetic enough to keep working, then by all means let them do so. Although I am mightily sceptical about these appointments; they seem like pay-offs. Gough Whitlam got it right when he talked about the Paris option after losing office. Surely there's a Paris Climate Accord ambassadorship going with all the trimmings...

What we really need is a self-reliance movement whereby workers and the political class see it as a badge of honour not to take more out of the system than they put in. We used to be like that, back in the Depression. Not any more. *Vive la revolution.*