



## The Truth about Pensions... and the Lies of our Leaders

Nick Minchin on the Tony Jones ABC TV Program Q & A 11/09/2008 stated quite clearly that **funds were not, have not and are not collected and held in a bank account waiting for the government to pay it out in the form of the Old Age Pension**, or words that meant, "exactly that."

As an ex Australian Federal Government finance Minister, now shadow defence minister, this man knows that his statement on that television program, **was a blatant lie** (and he said it with a look of such sincerity on his face).

Well, it certainly was collected and it amassed such huge amounts that this government and those preceding couldn't help themselves. Without any right, they plundered it and spent billions of it over the years. This was money earned by the people themselves through hard work and often deprivation (as a legislated obligation, part thereof was collected by the Tax Department for this very purpose).

To this day this money is collected as a tax which originally, specifically, and intentionally was to fund, **"the Aged Pension."**

To dispel misinformation from Party Politicians and their spin doctors, here are some historical facts that every Australian (especially the young who are under the miss-guided belief and/or assumption that they are funding the Aged Pension from their current hard work) should know.

The young are in fact funding their own Pension Fund and to add insult to injury they are forced to pay into a super fund.

### 1939 - 1945

World War II

### 1942 - 1943

As a Wartime measure, the Federal Government gained sole control over Australian Income Tax. Labor Prime minister (Ben Chifley) introduced three bills to establish the National Welfare Fund, to be financed by a Compulsory Contribution (levy) **of one and sixpence in the Pound (20/-) on all personal income.**

Opposition Leader (Robert Menzies) stated that the Compulsory Contribution (levy) should be kept completely separate from other government income streams, that it should be shown separately on the Taxation Assessment and paid straight into a "TRUST" account, and not mixed with the General Revenue.

Menzies said *"The stigma of charity should be removed from the Age Pension."* and that **"It should be an entitlement earned by the person's personal contribution to the fund."**

### 1946

**Prime Minister Chifley agreed and established The National Welfare fund as at 1/1/1946.**

A "Trust" Fund with the Parliament as "Trustee." The Compulsory Contributions (levy) commenced as at 1st January 1946. It was shown separately on the personal Tax Assessments for 1946, 1947, 1948, 1949 and 1950 and the compulsory levy was properly paid straight into the Special "Trust" fund and Welfare claims were paid out of the fund.

**The balance in the fund in 1950 was almost 100 million pounds.**

**1949**

Robert Menzies became Prime Minister and he introduced Bills to amend the acts governing the National Welfare Funds.

**The Compulsory Contributions (levy) was then grouped with the Taxation Assessment and appeared as one amount on the Taxation assessments and was paid as one amount straight into the Consolidated Revenue Account. The sabotage of the National Welfare Fund had commenced.**

The Opposition Labor Party had collaborated in this sabotage by remaining silent instead of opposing Menzies' action.

**1951 - 1985**

**The compulsory levy of 7.5%** now included in the tax continued to be collected and placed in the Consolidated Revenue Account **treated as General Revenue and spent**, until 1985.

**1974 – 1975**

Labor Prime Minister (Gough Whitlam) abolished income test for all persons 70 years of age and over and paid pensions to all people over that age.

**1975**

Liberal Prime Minister (Malcolm Fraser) cancelled the Whitlam legislation.

**1977**

Liberal Prime Minister (Malcolm Fraser with Treasurer Philip Lynch) **transferred the balance in the Welfare Fund Account** (approximately **\$470,000,000**) **to Consolidated Revenue Account.**

**1985**

Australian Labor Government repealed acts No. 39, 40 and 41 of 1945 (The National Welfare Fund Acts). **Thus the funds finally ceased to exist yet the 7.5% levy continued to be collected as a proportion of the Income Tax revenue.** It also introduced the (much maligned) Income and Asset Tests, thereby excluding millions of levy and tax paying Australians from receiving Social Services Pensions.

This money these self funded contributions paid as a percentage of the total income tax collections are today worth far more than the amount of means tested pensions paid out.

**Actuaries have calculated the non-means tested entitlement due to each retiree, today is in excess of \$500 per week.**

This surely debunks the politician's claim that the generation are paying a proportion of their current taxes to cover the payments made to pensioners. The obvious short fall has been swallowed by the Government's Taxation black hole.

The historical summary above highlights the fact that politicians of opposing political parties each contributed to the agenda to destroy the entitlement as it was intended. Why? They had no mandate to do so, it clearly was not and is not the will of the people.

**While Party Politicians on both sides are controlled by a few people who are hidden from public view yet are open to manipulation and outright corruption, there can be no certainty of the payment of pensions.**

Only a majority of truly Independent representatives can bring about a change from Government under corporate control, to Government for the People, of the People, by the People.

Just because a cabal of political miscreants become so greedy that they change the way a tax looks in the Ledgers, **IN NO WAY REMOVES THE FACT THAT THIS TAX IS STILL COLLECTED TO THIS DAY TO PROVIDE FOR THE SUPPLY AND CONTINUATION OF THE OLD AGE PENSION - A STIPEND TO THE ELDERLY CITIZENS OF THIS COUNTRY WHO HAVE WORKED FOR DECADES OF THEIR LIVES TO BUILD A NATION AND HAVE FROM WORKING DAY ONE OF THEIR LIVES, BEEN PAYING 7% PLUS OF THEIR TAXES DIRECTLY TOWARDS THIS PENSION.**

**The old age pension is not a privilege:**

**Is not a right.**

**Is not a gift.**

**Is not even welfare.**

**The Old Age Pension is an asset owned and accrued by each Australian Citizen who has funded this asset from their very own purse.**

The governments of the day were employed to amass, secure, invest and manage a fund that in its first 5 years bulged to almost £100,000,000, an amount that today would be worth approximately \$240 million.

They did amass, secure, invest and manage - and the figures were colossal and frightening to them and hence they conspired to hide them back into the consolidated Revenue bucket and to this day, that bucket has been brimming with a 7.5% tax collected specifically and only, for the Old Age Pension.

**No, young Australians,** you are not paying for the welfare of Baby boomers, you are paying for yourselves, new immigrants, the needy in society requiring social services and welfare, dole recipients and the bludgers, **BUT YOU ARE NOT PAYING FOR THE OLD AGE PENSION OF ELDERLY AUSTRALIANS WHO HAVE WORKED ALL THEIR LIVES IN THIS COUNTRY AND PAID THEIR FAIR SHARE OF TAXES.**

**Courtesy of**

*Albert Caine*