

**Are we selling off
our future for easy
cash?**



My Disgust with the 2009 Budget

What was built in eight years has been shattered in one, with the current Australian government spending more than any other Australian government in history.

Over the next 4 years the debt for the Australian people is expected to rise to almost 270 billion dollars. The idea implemented by the Australian government is an idea which provides Australians with immediate and tangible benefits, whilst severely disadvantaging them and the Australian economy for years to come. Some examples include:

Increasing the strain on the aged pension system;

- Denying Australians the opportunity to grow their super through tax effective incentives in order to boost the current pension will inevitably force more and more people to rely more heavily on the government pension system. The immediate tax savings that the government will make, will ultimately be overshadowed by the debt created long term when more people will need to rely on the government for more of their retirement income. The government has virtually removed the incentives for long term savings whilst the aging population in combination with this factor will put more of a strain on the decreasing Australian working population. To put it simply less working people will be supporting more retirees.
- By slashing retirement concessions, this may, in the short term, save the government some money by effectively penalising people for putting extra money in their super. Future pensioners will not have enough money in their retirement plans to support themselves completely, which in the long term will result in burdening the Australian people with having to come up with more and more money to support aging pensioners.

Eliminate the private health cover rebate for high income earners.

- Although the idea of a completely free and sufficient health care system is a model to work towards, the Australian economy cannot support the already straining public health care system by adding more disillusioned Australians to it who have had their private health cover rebate eliminated. The repercussions of this situation will be:
 - Increased number of Australians rejoining the public health care system – something we as Australians cannot afford
 - Private health due to a loss in members will have to increase their premiums which mean a further loss of members to the public health system. Loss of members will also cause a loss of value of shares in the private health funds; and as Australians have invested in private health through their super, this will negatively impact their super funds performance.

The government, in order to compensate for the strain which will inevitably be placed on the public health system, has also increased the Medicare levy from 1% to 1.5%. The revenue generated from this increase will be quite marginal in comparison to the added strains on the already failing public health system. Whether or not we identify with high income earners, the fact is that they alleviate a large amount of pressure off the public health system by supporting the private health industry. By removing the rebate and indirectly removing private health incentives for the high income earners the burden is placed on the public health system which will be insurmountable. Unfortunately the government might have successfully convinced the Australian people that the short term benefits outweigh the damage this will do to our country in the future. I hope that Australia will not be bought or blinded by the easy cash we are receiving from the government. We must now work even harder to ensure that we do not sell all of our future for cash.

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