

## Are there aspects of the design of retirement income systems in other countries that are relevant to Australia?

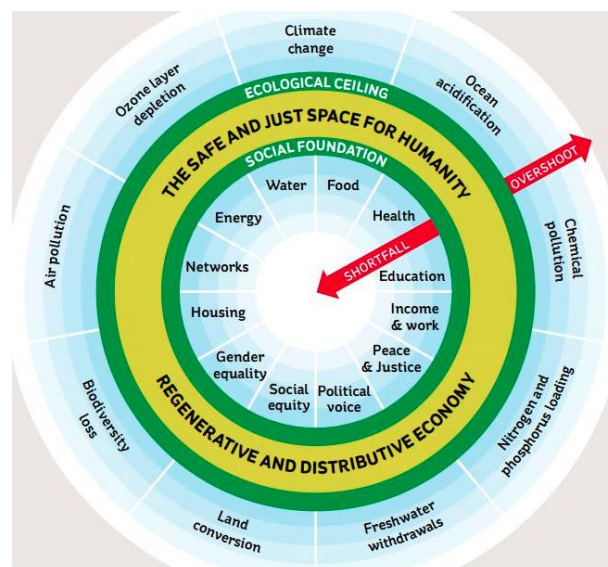
There is an imbalance between the 3 pillars in figure 1, especially for those relying on voluntary savings, as result of self-employment or unstable income (and hence less compulsory super savings). Aspiring homeowners on moderate incomes, who cannot afford to purchase their own home, either take on excessive debt to get onto the property ladder or miss out on the benefits of property ownership.

Accordingly there is a need for the Retirement Income Review to consider the safety net available for long-term renters and also to address the reasons for ‘the humble roof over ones head’ becoming increasing out of reach. For example:

- Speculation in the Australian residential housing market, is driving up prices and causing households to take on excessive debt,
- The promise of capital gains from property investment is creating incentives for environmentally unsustainable over-investment (purchase and renovation) in the family home,

The Retirement Income review should consider the extent to which reliance housing for retirement income provides a “safe and just space” for all of humanity.

Kate Raworth is Senior Researcher at Oxfam GB. Her book, *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*, identifies seven critical ways in which mainstream economics has led us astray, and sets out a roadmap for bringing humanity into a sweet spot that meets the needs of all within the means of the planet.<sup>1</sup>



<sup>1</sup> <https://www.humansandnature.org/kate-raworth>