SUBMISSION

Submission to Treasury: Legislating the objective of superannuation

31 March 2023

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Director

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The Treasury

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Via email: superannuationobjective@treasury.gov.au

31 March 2023

Dear Sir/Madam

Legislating the objective of superannuation: consultation paper

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission in response to the Treasury consultation paper on legislating the objective of superannuation.

About ASFA

ASFA is a non-profit, non-partisan national organisation whose mission is to continuously improve the superannuation system, so all Australians can enjoy a comfortable and dignified retirement. We focus on the issues that affect the entire Australian superannuation system and its $3.3 trillion in retirement savings. Our membership is across all parts of the industry, including corporate, public sector, industry and retail superannuation funds, and associated service providers, representing almost 90 per cent of the 17 million Australians with superannuation.

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If you have any queries or comments in relation to the content of our submission, please contact me on 0435 742 440 or by email gmccrea@superannuation.asn.au, or Harvey Russell, Senior Policy Advisor, on 0411 238 217 or by email hrussell@superannuation.asn.au.

Yours sincerely

Glen McCrea

Deputy CEO and Chief Policy Officer

Executive Summary

ASFA welcomes the release of Treasury's consultation paper on legislating the objective of superannuation.

ASFA is strongly committed to the formalisation of an objective for superannuation in legislation that reflects the core purpose of the system in providing an adequate income to ensure all Australians achieve a comfortable or dignified standard of living in retirement. ASFA is pleased the proposed objective is closely aligned to the direction of ASFA's advocacy position on this issue in recent years.

The community deserves to be financially confident in retirement. People spend their working lifetime contributing a portion of their income to a compulsory savings system, and it is fair to expect a dignified retirement commensurate with this sacrifice in return. Preservation of savings requires the community to forego expenditure today, so they can enjoy a comfortable standard of living in retirement. ASFA has long believed achieving this is the financial aspiration of all Australians and that an objective of the super system should support that aspiration.

ASFA broadly supports the proposed objective as drafted in the Consultation Paper. The proposal comes at an important time in the evolution of Australia's world class retirement savings system. Australia arguably has the leading Defined Contribution system in the world, currently boasting superior returns and a comparatively low cost to government on an international basis.[1] Thirty years on from the introduction of the Superannuation Guarantee, and with the system maturing, the proposed objective has the potential to secure the success of the system.

The proposal places preservation, retirement income, equity, sustainability and a dignified retirement at its centre while recognising the ongoing role of the Age Pension. This formulation can underpin much needed policy stability and help anchor future policy debates in ensuring our age pension remains affordable, that superannuation savings are preserved to retirement, and that the system delivers in an equitable manner for women and low-income earners.

The objective builds on previous proposals, leveraging the work of the Retirement Income Review (RIR) by specifically addressing fairness and the related matter of the enduring fiscal cost of the system. ASFA has acknowledged the need to consider the appropriate distribution of tax concessions attaching to super between different levels of income, advocating a package of reforms which would curb tax concessions at the upper end and deliver more equitable outcomes for lower income earners and women. These were developed following careful consideration of evidence and commentary raised through the RIR and have been advocated through recent pre-Budget submission processes.

Compared to its peers internationally Australia's retirement system is well placed to face challenges to fiscal sustainability, with high levels of private super savings reducing pressure on government pension expenditure. Recent proposed changes, as well as others already in the process of being implemented will contribute to the long-term sustainability of the system.

With the introduction of an objective for superannuation, it will be important to understand the extent to which policy proposals are consistent with achieving its aims over the long term. ASFA recommends the Government consider introducing periodic assessment of the extent to which the super system is aligned to its objective. This could be incorporated into the Intergenerational Report (IGR) which is produced every five years, and would be consistent with its broad remit.

Separately, while ASFA does not propose incorporating performance benchmarks into the legislative framework, we believe certain measures may be a helpful reference when gauging the performance of the

[1] ASFA research note *The cost of pensions across advanced economies, February 2023*

system over the medium to long term. ASFA has developed a set of benchmarks (measures of success) which it believes could guide stakeholders in considering this issue.

General Discussion

In the following discussion ASFA has addressed the key points raised above in the process of responding to the specific questions raised in the consultation paper.

1. What do you see as the practical benefits or risks associated with legislating an objective of Australia's superannuation system?

The proposed objective places preservation, retirement income, equity, fiscal sustainability and a dignified retirement at the centre of superannuation policy while recognising the ongoing role of the Age Pension. It has the potential to underpin much needed policy stability for superannuation and help anchor future policy debates in ensuring our Age Pension remains affordable and that the system delivers in an equitable manner, including for women and low-income earners. The objective is sufficiently aspirational to ensure Australians can approach retirement with confidence about their ability to achieve self-sufficiency.

Stability and certainty of the system can be enhanced by a clear objective by which policy makers and the parliamentary process can be guided. In addition to this, periodic review of the alignment of future policy changes to the objective could be conducted on a regular basis. The IGR process presents an obvious mechanism for this to take place. This addition to the accountability framework proposed in the consultation paper would place further, and appropriate, rigour around such an important measure.

2. Does the proposed objective meet your understanding of the objective of the superannuation system in Australia?

ASFA has long advocated for the formalisation of an objective for super in legislation. ASFA's proposed definition includes the following elements: adequacy/comfortable standard of living; superannuation as one of the three pillars of the system; income provision; and all Australians. The proposed definition is:

> "*To provide an adequate income to ensure all Australians achieve a comfortable standard of living in retirement, supplementing or substituting the Age Pension.*"

The objective proposed in the Consultation Paper is broadly consistent with ASFA's formulation, although it explicitly incorporates other elements which were the examined in the Retirement Income Review. This includes a specific focus on preservation, equity and sustainability.

It is pleasing to see that in many respects the superannuation system is already tracking well against the various concepts that have been used in constructing the proposed objective. This is testament to the strength of the system as it currently stands.

Recommendation
• ASFA is strongly committed to the formalisation of an objective for superannuation in legislation that reflects the core purpose of the system in providing an adequate income to ensure all Australians achieve a comfortable or dignified standard of living in retirement. ASFA broadly supports the proposed objective as drafted in the Consultation Paper.

Below we outline ASFA's feedback on the various elements of the proposal.

'Dignified'

ASFA is pleased to see the inclusion of a descriptor in the proposed objective which is both aspirational and can recognise different needs and circumstances of retirees. ASFA notes the Consultation Paper refers to *dignified* as recognising "that individuals deserve a high-quality standard of living in retirement, as served by both the superannuation system and government support."[2]

'Delivering income for a dignified retirement' refers to adequacy of retirement incomes. This, in turn, addresses living standards in retirement and the extent to which these align with community expectations. On living standards, ASFA has developed a range of income benchmarks for retirees including the flagship *ASFA Comfortable Retirement Standard.* While not all people will have an income throughout retirement that is at, or above, the comfortable level, 'ASFA Comfortable' is a widely used benchmark for income adequacy derived from detailed analysis of retirees' spending patterns.

The ASFA Retirement Standard

ASFA publishes annual budgets for various categories of Australians to fund their needs in their post-work years. The Retirement Standard provides budgets for both a modest and comfortable standard of living for singles and couples. Although no two individuals have identical expenditure patterns, many stakeholders benefit from having standardised benchmarks in this area. As a result, the standard can be used to inform judgments about what is an adequate level of income in retirement and what level of savings is required to fund adequate retirement incomes.

The composition of expenditure in the Retirement Standard budgets reflects actual retiree spending patterns. Data comes from a range of sources including ABS data, data from the HILDA Survey and focus group feedback. The Standard is regularly updated and reviewed with budgets updated quarterly to reflect changes to CPI and the methodology for deriving the budgets is subject to rigorous periodic review.

The Modest budget benchmark is considered a better retirement lifestyle than could be attained on the Age Pension alone, however, a modest retirement lifestyle will still only be able to allow a retiree fairly basic activities.

At present, the ASFA Comfortable (which assumes home ownership) is $49,462 for singles per year and $69,691 for a couple. The most recent update of the ASFA Comfortable standard is at: https://www.superannuation.asn.au/resources/retirement-standard

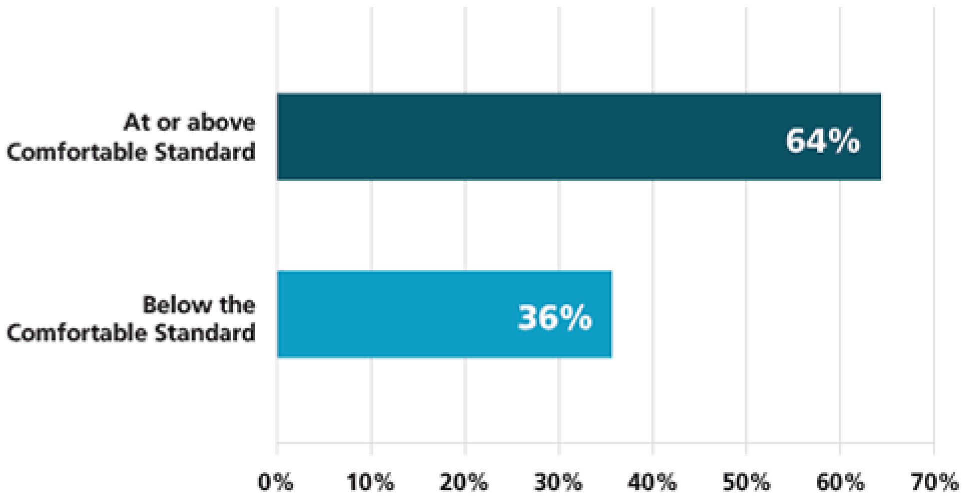
Not all retirees will have income in retirement at or above the ASFA Comfortable level, however evidence suggests this level is what a majority of the Australian community wants and needs.

A recent ASFA survey of consumers demonstrates that the ASFA Retirement Standard well reflects the Australian community expectations of retirement spending. The majority of respondents consider they

[2] Treasury Consultation Paper: Legislating the objective of superannuation, February 2023, pages 10-11

would need annual expenditure consistent with, or exceeding, the ASFA Comfortable budgets to maintain their desired living standard in retirement.

Chart 1: Required income in retirement



Source: ASFA Consumer Survey, January 2022

Results from ASFA's survey remain consistent with other publicly available research relating to income requirements and expectations including HILDA data and ABS statistics for those approaching retirement.[3]

This suggests the ASFA Comfortable standard is therefore an appropriate benchmark or base to assess income adequacy for many Australians. This shouldn't detract from the fact that for some individuals, especially those on higher incomes, a replacement rate expressed as a percentage of pre-retirement income or expenditure (e.g. at least 65% of pre-retirement income) could be a more appropriate measure.

'Deliver income in retirement'

ASFA has consistently argued the focus on delivering income in retirement is an important element of an objective for superannuation. The Retirement Income Review concluded that retirees tend to consume only the income derived from their assets (capital) and not the assets themselves. The Review was critical of individuals not dissipating their retirement savings quickly enough in retirement, potentially motivated by estate planning through tax effective bequests or the result of underestimating their retirement spending needs. Additionally, the Consultation Paper notes a similar point, *'…the focus on delivering income makes clear that the purpose of super is not for minimising tax on wealth accumulation'*.[4]

While there are concerns about a small proportion of retirees with superannuation balances greater than can be justified given the tax concessions provided to super, many retirees face the issue of not being able to generate enough income in retirement to be self-sufficient.

ASFA analysis of ATO data shows only around 35% of those aged over 75 have superannuation, 58% for those aged 65-74 (2019-20). And, where death benefits are concerned, the HILDA data shows that 80 per cent of people aged 60 and over who died between 2014 to 2018 had no super at all in the period of up to

[3] ASFA analysis of HILDA and ABS data – ASFA Retirement Income Review submission, February 2020

[4] Consultation Paper, page 10

four years before their death. For those aged 80 and over, 90 per cent had no super in the four-year period before their death.[5]

Delivering income in retirement must remain a priority for the superannuation system (and for the formulation of the objective) but policymakers should be careful not to overstate any current concerns about members under-consuming their savings.

Recent policy changes aimed at delivering income in retirement

Recent policy developments are already addressing the concerns raised by the Retirement Income Review on this matter. These include: the introduction and implementation of the Retirement Income Covenant (the Covenant) and the recent government announcement to tax super balances above $3m at the higher rate of 30%.

The Covenant is a key plank in the system's retirement income policy framework. It codifies the requirements and obligations for superannuation trustees to improve retirement outcomes for individuals. Importantly, it outlines a fundamental obligation of trustees to formulate, review regularly and give effect to a retirement income strategy.

The Covenant was introduced to address concerns that retirees struggle to develop effective retirement income strategies on their own, and that an unsatisfactory level of savings accrued by members through the superannuation system are not used to provide retirement income. It was observed that savings remain unspent and become part of the person's bequest when they die. Further, the RIR also argued people could enjoy a higher standard of living in retirement if they had greater confidence to spend their superannuation.

The obligation for super trustees under the Retirement Income Covenant, alongside more accessible and affordable personal advice to members as they transition to, and move through, retirement will assist members to better manage their retirement income goals and expectations. Importantly, under the design of the Covenant, retirees maintain the flexibility to withdraw lump sum amounts from their superannuation in retirement to manage larger expenses and changes in lifestyle needs.

The recent announcement by the government to introduce 30% tax on super balances above $3m is intended to reinforce the purpose of the super system to provide income *in retirement* by addressing concerns that superannuation savers may be focusing disproportionately on wealth accumulation and intergenerational transfers. In making this change the Government has argued very high total super balances are better described as having a purpose other than providing income in retirement.[6]

'Preserve savings'

ASFA supports the inclusion of a reference to preservation in the objective. Preservation is an important principle attaching to the bargain superannuation members make when engaging with the system through contributing. The existing preservation rules have generally operated to maintain the integrity of the system over time and are appropriately linked to the sole purpose and ancillary purposes of superannuation outlined in section 62 of SIS. ASFA agrees with the consultation paper that the most important access conditions continue to be to provide retirement benefits or benefits to dependents in the

[5] ASFA Research Paper, Super Balances Just Before Death March 2021

[6] The Hon Stephen Jones MP, Assistant Treasurer and Minister for Financial Services, transcript, 23 February 2023: https://ministers.treasury.gov.au/ministers/stephen-jones-2022/transcripts/doorstop-interview-melbourne-convention-and-exhibition

event of death of a member before retirement.[7] The existing legislation also recognises various other release conditions which may support members earlier in their lives in critical times of need.

Given the proposed objective is intended to align to the sole purpose test,[8] and is not designed to change trustee obligations, ASFA expects the current conditions of release would act as a stable baseline for the concept of preservation. This would not preclude changes in the form of technical improvements to release conditions or changes to guidance with respect to operational and administrative matters as required.

However, under a legislated objective for superannuation, any significant relaxation of the preservation restrictions to address special one-off circumstances, including the early release provisions, would not be appropriate. An example of this occurring was the implementation of the Coronavirus – early release of superannuation changes, leveraging off the existing compassionate grounds release process. While this scheme succeeded in facilitating a large number of monetary payments to in a short time to members at a time of financial stress, the cost to members' eventual retirement savings was significant.

Regrettably, the cost to retirement savings impacted young people, women, single parents and unemployed people most. Of the approximately 3 million Australians who applied for early release (many of them making two applications) nearly 1 million people closed or largely depleted their account. And most of those who closed accounts were in the categories of members mentioned above.

The detrimental impact these payments had on the retirement savings of many Australians is evident when you consider the simple example of a 30 year old who took out $20,000 under the scheme. At age 67 this individual will have $43,000 less in retirement savings.[9]

Insurance in super

The provision of group insurance, particularly through default arrangements, is a critical part of the superannuation system and it will be important to clarify its interaction with the proposed objective. Access to group cover through superannuation is crucial in supporting Australians who suffer a health-related misfortune, resulting in absence from the workforce, which affects their ability to contribute to superannuation.

The superannuation system enables members to manage the financial risks associated with ill-health and death during their working life whilst also supporting substantially improved retirement outcomes for claimants.

In terms of social and economic benefits, these arrangements alleviate systemic underinsurance and the potentially devastating economic implications for individuals and their families who face disability or premature death. The lack of, or insufficient, insurance cover also adds fiscal pressure on the Budget through increased government transfer payments.

ASFA considers that insurance in super provides an important foundation to the concepts found in the proposed objective, perhaps most critically the aspiration to deliver income for a dignified retirement. For many Australians, access to group insurance cover through their superannuation fund may be the most efficient and affordable means by which to ensure financial security, including for their dependents in the event of death.

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[7] Although ASFA notes on page 9 the Consultation Paper does not represent in full the role of preservation, which is '…restricts access to superannuation savings for a person's retirement, *or in the event of death before retirement, to a beneficiary or beneficiaries.'*

[8] Consultation Paper, page 12

[9] Measured in today's dollars and assuming no catch-up contributions are made

Recommendation

- Given the proposed objective is intended to align to the sole purpose test, and is not designed to change trustee obligations, the current conditions of release should act as a stable baseline for the operation of the objective.
- It is expected there would be no significant changes to the existing preservation rules. This intention should be reflected in the Explanatory Memorandum to the Bill.

Recommendation

- The superannuation system provides insurance that delivers valuable protection to the community and meets members' needs at reasonable cost. The Explanatory Memorandum to the Bill should recognise alignment of the role of insurance with the objective and clarify the intent of the objective as proposed in the Bill is not to affect the existing role of insurance in superannuation.

'Equitable and sustainable'

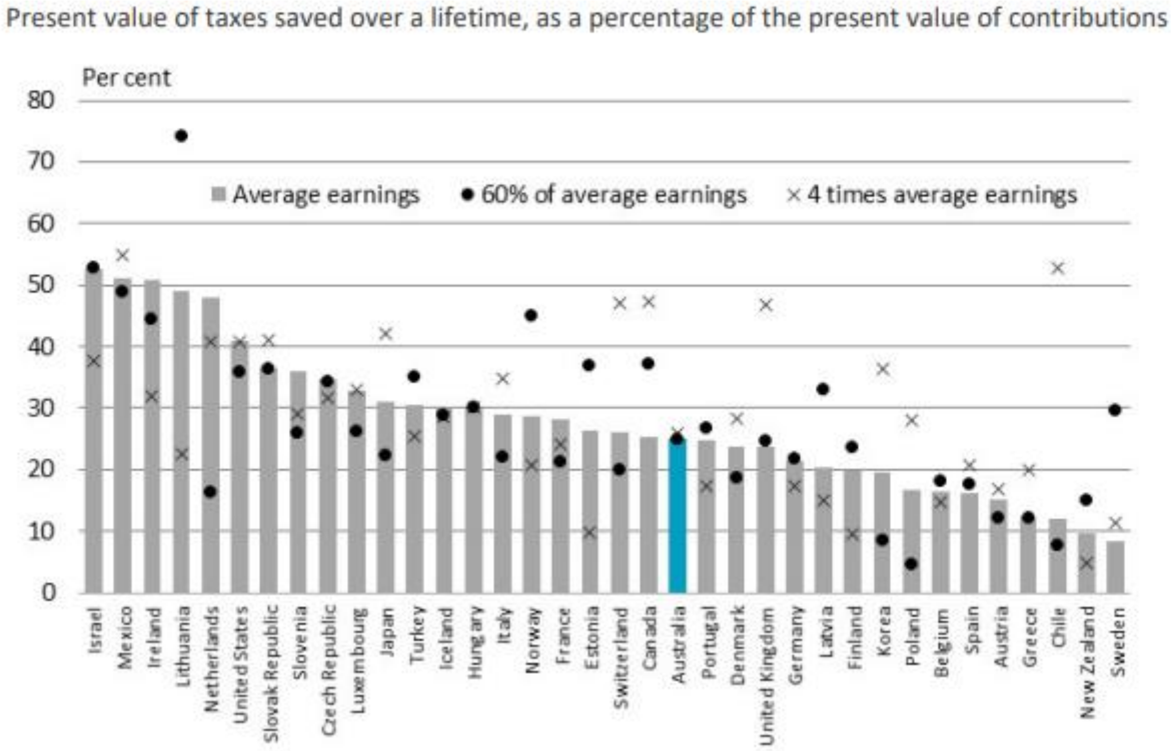
ASFA regards distributional equity and internal sustainability as central to the stability and integrity of the retirement system.

Equity

Equity can be broadly defined as the equality of opportunity in accessing the retirement income system and the distribution of government support for individuals' retirement incomes. Ideally benefits should be evenly distributed across workers within and across generations. Importantly, equity can promote confidence in the retirement income system, generating public support.

From an international perspective government support via Australia's retirement income system appears fairer across different income levels than in many other comparable countries. Based on OECD data on estimated tax benefits as the present value of taxes saved over a lifetime, as a percentage of the present value of contributions, the tax benefits are the same for average, low and high income-earners.

Chart 2: Overall tax benefit for individuals by income level



Source: OECD Pensions Outlook 2018[10]

This is no doubt due to measures that limit the tax advantages of super accruing to upper income earners (such as contribution caps and the Division 293 higher contributions tax) as well as measures addressing lower income earners such as the LISTO and a means tested age pension.

Recent and proposed changes have also made the distribution of government support within the retirement system more equitable. This includes the 2016 Budget changes which, amongst other things, introduced a limit on the amount able to be transferred into the retirement income phase (a Transfer Balance Cap) as well as other changes to contribution caps. The removal of the $450 per month income threshold in 2022 has delivered greater access to system for many part-time and casual workers. And most recently, the proposal to tax super balances above $3m at the higher rate of 30% from 2025-26 will adjust the distributional equity of the system.

ASFA has consistently argued for the importance of pursuing equity in the superannuation system, suggesting equity measures at the top end (including with respect to very large balances) should be accompanied by measures to address equity for low/lower income earners, especially women.[11]

In its recent pre-Budget submission(s),[12] ASFA argued for: the introduction of SG on paid parental leave in order to reduce the retirement savings gap between females and males; the introduction of a Super Baby Bonus payment of $5,000 for every child a woman gives birth to or is the primary carer for; increasing the upper threshold for the Low Income Super Tax Offset (LISTO) to $45,000; reducing the threshold for the

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[10] OECD 2018, *OECD Pensions Outlook 2018*

[11] ASFA, Media release *"ASFA calls on Government to close retirement savings gender gap,"* 7 March 2023

[12] ASFA, *Pre-Budget submissions 2022, 2023*

additional Division 293 on concessional contributions to $200,000; and the removal of concessional tax treatment for super balances in excess of $5 million.

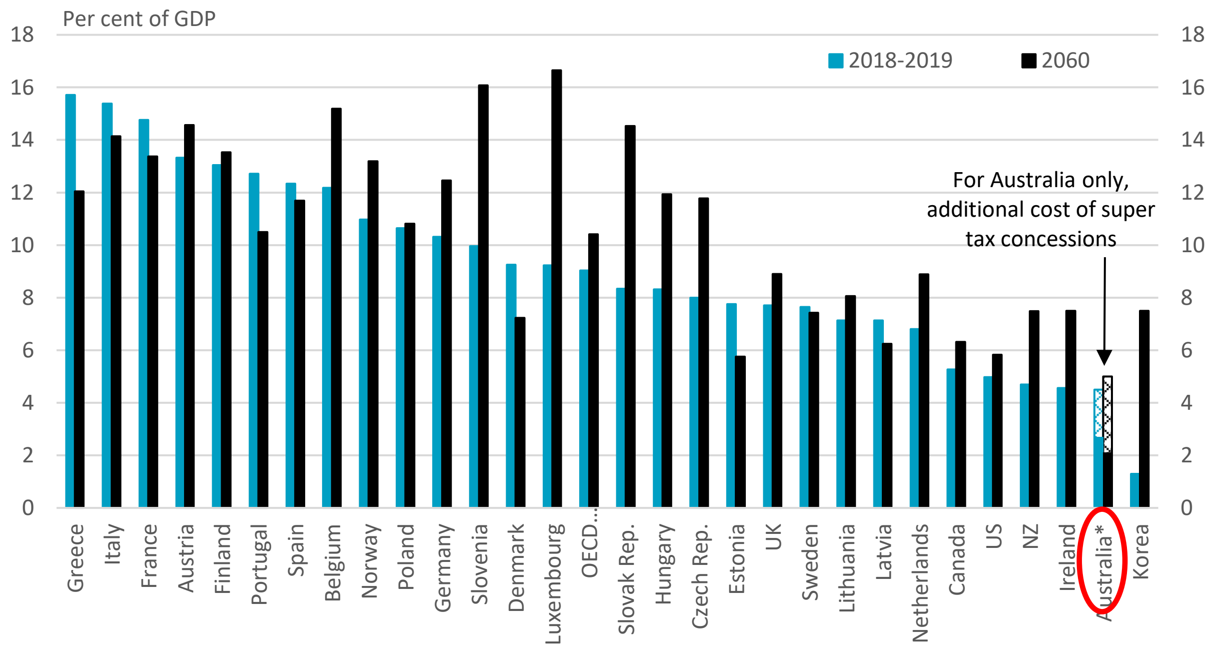
As mentioned above ASFA believes equity measures should be reinvested in the system rather than diminishing its total value over time. For example, in respect of the proposal to tax super balances above $3m at 30%, the tax revenue generated should support measures which close the retirement savings gender gap.

Sustainability

The Consultation Paper and the Retirement Income Review appear to be aligned in how they view the function of sustainability. 'Sustainable' signifies "that the system should be robust to demographic, economic and social change and cost effective in achieving adequate retirement outcomes."[13] While Australia is relatively well placed from a demographic perspective, its population is ageing, although to a lesser extent than many other advanced economies. The latest government projections show the proportion of the population aged 65 and will increase from 16.8% (2020-21) to 23% in 2060-61.[14] Critically, this means fewer people of working age compared to those aged over 65.

Despite these trends the design of Australia's retirement income system will ensure its fiscal sustainability – the superannuation system will boost private savings and contain Age Pension expenditure. Spending on the Age Pension is expected to decline from 2.6% (2018-19) to 2.1% of GDP by 2060. This is low when compared internationally and against trend given it is declining. Across the OECD government spending on pension averages 9% of GDP and is projected to rise to 10.4% of GDP by 2060.

Chart 3: Government expenditure on pensions



*Note - Note for Australia, the relevant dates are 2020-21 and 2060-61. *Source*: OECD, *Pensions at a Glance 2021*; The Commonwealth of Australia, *2021 Intergenerational Report: Australia over the next 40 years*; and ASFA calculations.

[13] Consultation Paper, page 11

[14] Treasury, *Intergenerational Report 2021*

The total cost of Australia's Age Pension and tax concessions for super are projected to rise but only from around 4% to 5% of GDP by 2060 based on existing measures.[15] The cost of the super concessions therefore is set to rise modestly over time, but this is largely attributable to the maturing of the system as the SG increases to 12% over this period. Indeed, superannuation is taking the pressure off the cost of the Age Pension, representing a greater share of the average retirement income at age pension eligibility age over time, as more people shift to self-sufficiency. In an aspirational society this is entirely appropriate. Importantly, just as the proportion of people reliant on the age pension will reduce over time, so will the proportion of those on full Age Pension to part Age Pension.

On these measures Australia's retirement system is performing remarkably well, with superannuation and the Age Pension continuing to operate in concert to achieve better retirement outcomes for Australians. The goal will be to ensure the system tracks accordingly over time.

3. Is the proposed approach to enshrining the objective in legislation appropriate? Are there any alternative ways the objective could be enshrined?

ASFA supports the approach of enshrining the objective in legislation. We agree this would ensure appropriate stability for stakeholders and provide a good measure for assessing prospective policy changes as required.

The objective of superannuation is a foundational, system level reform which aims to provide a shared understanding of the role of the superannuation system in supporting the delivery of retirement incomes. It is not designed to impact on trustee obligations or regulatory supervision activities.

Importantly, the Consultation Paper states the objective should be *"aligned with [yet] separate from the best financial interests duty and the sole purpose test…[and] is not intended to guide the regulation of trustees' conduct*."[16] ASFA believes the objective should operate in a manner that does not unduly compromise, override or replicate superannuation law. Rather, the objective should offer a reference point that policy makers must consider and meet in designing and developing superannuation policy.

ASFA has previously supported the objective being inserted as a preamble to the Superannuation Industry (Supervision) Act 1993 (SIS) given this is the primary governing and operational legislation for superannuation. Given the nature of this reform, drafting should aim to ensure the provision does not impact or operate to conflict with trustee duties or obligations. This could be emphasised in the second reading speech to the amending Bill and/or the accompanying Explanatory Memorandum.

Recommendation
• ASFA considers that the objective could be inserted as a preamble to SIS and should not impact or conflict with trustee duties such as the sole purpose test and best financial interests duty, or change trustee obligations.

[15] Note – this does not include the fiscal impact of the government's proposal $3m which reduces the annual cost of the superannuation tax concessions.

[16] Consultation Paper, page 12

4. What are the practical costs and benefits of any alternative accountability mechanisms to the one proposed?

ASFA agrees with the suggestion in the Consultation Paper that both the policy development and parliamentary process would provide checks and balances on any future changes to the super system, benchmarking them to and ensuring their compatibility with the objective.

ASFA believes the introduction of the objective provides an important opportunity to achieve policy and regulatory stability for the superannuation system. Unduly frequent, excessive regulatory changes increase compliance and operational costs (which can be passed on to members) and can lead to increased complexity, reduced member engagement and confidence. These consequences all risk harming member retirement outcomes.

The proposed accountability measures could be enhanced by an assurance from government, at the time future superannuation policy reforms are legislated, that the change(s) align to the objective. It is suggested this could take the form of a statement in the Explanatory Materials to an amending Bill (or regulation) demonstrating that the change positively aligns with the legislated superannuation objective.

An additional means by which the objective could contribute to greater long-term stability, consistency in decision-making, as well as promoting trust and confidence in the system, is to periodically review policy decisions by considering their alignment to the objective.

Periodic reviews of this nature could be incorporated into the Intergenerational Report (IGR) process produced by the government every five years. The IGR assesses the long-term sustainability of current government policies and how changes to Australia's demographics may impact on economic growth, workforce and public finances over the next 40 years. This falls within broad remit of the IGR and would add value to its conclusions. Alternatively, government could perform a separate review in tandem with the IGR process.

It would be open to government as to how to measure the success or performance of the objective over time, although ASFA does not suggest metrics need to be incorporated into the implementation of the objective or its accountability mechanisms.

Recommendation

- ASFA supports the accountability mechanism proposed in the Consultation Paper. ASFA considers the following additional measures would contribute to the robustness of the accountability framework:
  - The introduction of a statement in the Explanatory Materials to an amending Bill (or regulation) demonstrating that a relevant legislative change positively aligns with the legislated superannuation objective; and
  - The periodic review of future policy decisions by considering their alignment to the objective through the Intergenerational Report process or a suitable alternative process.

How to measure the performance of the system

To the extent that specific metrics were considered appropriate ASFA suggests assessing the system over time based on a set of benchmarks or goals focused on securing adequate retirement incomes for Australians. Separate to the introduction of an objective of superannuation ASFA believe these measures could guide the ongoing public debate on the ongoing performance of the system.

ASFA's proposed Measures of Success focus on the cost of the Age Pension and tax concessions for superannuation relative to GDP, levels of reliance on the age pension, the retirement savings gender gap, and the percentage of the retired populations living at a standard equivalent at least to the ASFA

Retirement Standard Comfortable level, noting that for some members a replacement rate of at least 65% of pre-retirement income will be a more appropriate measure.

These goals are aspirational in nature with a 2050 timeframe although it is expected they could be useful in guiding and tracking progress as the system continues to mature across the coming decades.

Superannuation System Measures of Success (2050)

- ***Less than 20%*** of retired Australians over Age Pension qualifying age relying solely or almost exclusively on the Age Pension
- ***At least 50%*** of Australians able to achieve a 'comfortable' standard of living in retirement
- Age Pension expenditure and tax expenditure on superannuation of ***less than 6% of GDP***
- Eliminate the gender retirement savings gap
- Australians generally retiring with an income replacement rate in retirement ***in excess of 65%***