

Submission on Legislating the Objective of Superannuation

I wish to submit the following information to be considered when legislating the objective of superannuation on behalf of my partner and myself, two private individuals nearing retirement age with superannuation funds in both a defined benefit and accumulation scheme.

We are in our sixties and must retire from the workforce in the next two years due to unexpected family circumstances. We have been contributing to our superannuation scheme all our working lives since superannuation first started. Our intention, on retirement, is to use our superannuation, our money saved over many years, to buy our first home together as we have never had sufficient income or borrowing capacity to do so in the past. At our age, we are unable to turn back time and change our plans to suit the legislation proposed, that our money should only be used for income support purposes.

Should you legislate that we aren't able to use our own superannuation savings in the way we have planned, a lump sum withdrawal to enable us to purchase ourselves a permanent home without having a mortgage and compel us to use this money as an income stream, we will be faced with using our lifetime savings to pay rent to an investor for the rest of our lives, not as we have planned for these many years. We had no idea when planning for our retirement, that legislation might be likely to stop us securing a home for ourselves and our ability to live independently not relying completely on welfare nor a bank having any control or interest in our property.

This is not an ideal situation at our time in life especially given the severe rental shortages in many areas of NSW and across the country and that we are not likely to live long enough to see our name come up on a waiting list for public housing (not that we were ever planning to enrol on that). Nearly two years ago we were evicted for no cause, from our one and only city suburban private rental of over 40 years. Since that time, we have been living in regional NSW sharing a home with another ageing family member as we have been unable to secure any private rental property. At our stage in life, having to have our possessions kept in storage and relying on the kindness of others, is not something we enjoy doing. We don't want handouts or charity, we simply want to be able to use our own money in the manner we want, to purchase a home with no mortgage. The proposed objective of using superannuation as an income stream only will prevent us from securing a stable and permanent home to live in until we die, and we don't want a mortgage hanging over our head for the rest of our lives either.

We are not wealthy, we are not high-income earners, we don't have elaborate financial plans developed for our retirement, we are living on wages equivalent to less than a Centrelink job seeker, less than an aged pensioner. We don't want anything more or less than the freedom to use our own money as we see fit, to buy a modest home if we wish, keep some aside to live on and perhaps, if eligible, obtain a part aged pension.

Surely circumstances such as ours, warrant consideration when legislating the objective of superannuation. Of course, you will have sectors of government, banks, businesses in the finance and/or housing sector as well as superannuation schemes pushing extremely hard for changes that will benefit themselves, they will want our money in their hands for as long as they can, using it for themselves in the form of fees, charges, taxes, mortgages or whatever else they can think of but what about us? The many low- or average-income earners who have worked hard and contributed to their savings through superannuation, who have planned just a simple retirement that isn't based on greed or complicated estate planning – we just want one thing, our own money to use as we see fit, that we invested into superannuation based on the policies of the times past, to be used by us in the manner we were guaranteed in the times past. It is unfair to expect us to accept proposed changes of this nature when we are so close to retiring and have planned and built our future lives on another set of conditions.

We do, however, believe that there should now be a limit on withdrawing superannuation funds earlier than retirement age except in exceptional and unexpected circumstances, for example, terminal illness etc. The superannuation system is a valuable scheme to help everyone save for the future, for our older age, and should not be there to be raided on a whim or for paying out debts or financial difficulties that could have been foreseen or for political expediency. Government should maintain the current structure of the superannuation system and not enable nor encourage withdrawals in times of crises as an expedient, political tool of first resort.

We hope any legislative changes to the objective of superannuation will not disadvantage older superannuation members close to retirement in the circumstances I've outlined above. Thank you for your consideration of our contribution to the discussion.

With kind regards....