

I am comfortable with the formulation of words that you have proposed for the objective of superannuation.

Some care is needed when designing for equity as the trade off is usually complexity which feeds mistrust and increases costs.

I am much less comfortable with the fact that the current rules do not reinforce that superannuation is a retirement income system. The system should be ensuring that draw downs of benefits commence from all accounts at some appropriate time, perhaps at the old age pension entitlement ie 67 or at age 75 when effectively contributions cease except for superannuation guarantee for those still working. It has long been a mystery why you can be 80 + years of age and still not have commenced to draw down on your balance. I would also suggest that you stop discounting the required pension withdrawal amount as it reinforces that this is not for retirement income but is really tax planning and wealth preservation. I am not in possession of the data to cost the effects of such a measure but requiring people to draw down at the pension rate for their age or at a fixed rate would move more funds to a higher taxed environment, speed up intergenerational wealth transfer and tighten up what has become a very loose system. To support gender equity the transfer could perhaps be allowed to be made to the spouses account if their total superannuation balance was below the transfer balance cap.

I am happy to discuss or expand on this brief material if there is any interest.

Regards

Stuart Forsyth