

# POLICY BULLETIN

## RETIREMENT INCOME SYSTEM INQUIRY 2019

30 September 2019

### IN BRIEF

The government has now released the much-awaited [terms of reference](#) for the retirement income system inquiry. With an ageing population, longer life expectancies, changing work and retirement patterns, and falling home ownership, it is an appropriate time to consider if the retirement income system is fit for purpose.

### CPA AUSTRALIA'S APPROACH

As part of the impending consultation process, CPA Australia will be engaging with the consultation panel regarding the development of the public consultation paper due for release in November 2019.

We will encourage the review to consider:

- the entire retirement savings system, including the interaction of the component parts of superannuation (both compulsory and voluntary), the Age Pension, non-superannuation investments including the family home, and aged care and health needs
- an overarching long-term objective for the retirement savings system, not just the superannuation system
- the definition of retirement, the impact of changing work and retirement patterns – such as the gig economy, broken work patterns and early/late retirement, and the impact of increased life expectancy on preservation age, early access to superannuation, retirement, access to the Age Pension and subsidised health benefits
- the adequacy of retirement savings, the impact of health care and aged care costs, and reducing rates of home ownership in delivering a dignified retirement for Australians
- encouraging retirement incomes and the development of a robust retirement income system
- the economic and societal value of the superannuation system
- the effectiveness of the current taxation regime and other mechanisms in encouraging and supporting the accumulation of adequate retirement savings and the responsible and sustainable use of those savings in retirement, including the tax-free treatment of superannuation after age 60
- whether Australians will save for their retirement in the absence of compulsory superannuation, and the appropriate level of government support through the taxation system

- the level of superannuation contributions required, the appropriate mix between compulsion, soft compulsion and measures to encourage voluntary contributions, and adequate flexibility to accommodate changing employment patterns and life events
- the role of education and financial literacy in maximising retirement outcomes
- a consideration of differences across age ranges, employment situations, cultures, gender, family circumstances and geographical regions
- benchmarking the Australian retirement savings system against international pension systems.

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