

## **National Seniors' Response to Green Paper on Retirement Income**

**WEDNESDAY 21 AUGUST 2019**

National Seniors Australia welcomes the release of today's Green Paper from the Actuaries Institute on Australia's retirement income system.

The report 'Options for a Better, Integrated System of Retirement', represents a significant contribution to the retirement income debate with innovative suggestions on how to improve the system.

National Seniors Australia CEO, Professor John McCallum says the debate needs to focus on the sustainability of the system.

"Our biggest concern about the future of retirement income is addressing pensioner poverty, especially the high percentage of women in that category."

"It makes political and practical sense to focus on improving the consumer experience, because people won't buy into the system without it," he said.

Professor McCallum says it's not just retirement income which needs to be looked at, but the costs associated with a larger ageing population.

"We've known since the 1980s when Professor George Myer came from Duke University in the U.S. and showed Australian demographers there was not just a baby boom, but increased life expectancy as well."

"Among the good things that have happened since, is the superannuation guarantee with the aim to enable Australians to save for their retirement and not to be a burden later in life."

"Unfortunately, what has also happened was that people were bedazzled by large account balances and had no idea of how much income it could provide for another 30 years of life. This would also include growing health and aged care costs," Professor McCallum said.

He also welcomed the report's proposals to simplify the means and income tests of the age pension to make it fairer.

“The poorly managed interaction between means and assets testing the age pension and superannuation income, needs addressing to clean out perverse incentives.”

“We find ourselves in a position where even people who are comfortably provided for, are simultaneously feeling insecure because of constant changes.”

“Self-provision is the only sustainable future direction for an ageing society, but it needs to be enabled,” he said.

**-ENDS-**

**Professor John McCallum is available for interview.**

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