

## **MEDIA RELEASE**

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### **Australia needs a national retirement income policy**

Australia needs a national retirement income policy, John Brogden, CEO of the Financial Services Council said today.

In his keynote speech to the FSC Annual Conference, Mr Brogden said: “We must embrace the opportunity and lead the debate on taking superannuation from a world class accumulation scheme to the world’s best retirement system.”

He said superannuation and retirement income policy must be seen in the overall context of short, medium and long-term national budget sustainability.

“The system must not only provide a majority of Australians with an adequate retirement – it must also take intergenerational pressure off the budget. Failure to do this will mean our superannuation system and policy has failed,” Mr Brogden warned.

The FSC will lead the debate from the current focus on inputs to a debate on outputs and outcomes.

“We will work with our members, business leaders, community organisations and others to develop a National Retirement Outcomes Policy,” Mr Brogden said.

“This policy will form views on critical issues that will determine whether superannuation succeeds or fails as the savings vehicle for Australia’s future.”

“The stakes are that high.”

“The alternative is rolling, piecemeal and constant changes into the system that undermine confidence and stability,” Mr Brogden said.

The FSC driven National Retirement Outcomes Policy will integrate the design of the superannuation system with government policy on ageing, welfare, health and tax.

It will consider:

- The efficiency of tax concessions at the contribution, earnings and drawdown phases
- Whether tax concessions cease at a certain accumulation point
- Lump sums versus compulsory or incentivised pensions
- Whether Age Pension and preservation ages should be aligned and/or linked to life expectancy
- The assets test and access to the Age Pension
- The role of life insurance in decreasing the burden of welfare payments, aged and health care costs and whether or not life insurance should be incentivised like health insurance, and
- Whether or not 12 per cent super will be enough to provide for life expectancies moving into the 90s and beyond 100.

**Editors' Note**

The Financial Services Council's annual conference is being held at the Cairns Convention Centre from 6 to 8 August. Further details can be accessed at:  
<http://fsc.org.au/events/fsc-annual-conference-2014-accelerate/home.aspx>

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For further information contact: Robyn Tolhurst, FSC Director of Communication, on 0411 177 773 or [rtolhurst@fsc.org.au](mailto:rtolhurst@fsc.org.au)

**About the Financial Services Council**

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and Public Trustees. The Council has over 125 members who are responsible for investing more than \$2.3 trillion on behalf of 11 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.