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**Submission to Senate Economics Legislation Committee
Inquiry into the Superannuation (Objective) Bill 2016**

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By authority of the NFAW Social Policy Committee

Submission to Objective of Superannuation

This submission is being made by The National Foundation for Australian Women (NFAW).

NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres, and ensuring that the aims and ideals of the women's movement and its collective wisdom are handed on to new generations of women. NFAW is a feminist organisation, independent of party politics and working in partnership with other women's organisations, including the National Women's Alliances Equality Rights Alliance and economic Security 4 Women. These organisations include those committed to increasing support for women in Australia as well as those with a special interest in women's history.

We strongly support the introduction of an objective that enshrines the primary purpose of superannuation as retirement income support as opposed to an estate planning or wealth creation vehicle.

We support the recent passage of the legislation that imposes a limit on concessional tax retirement savings, reduces the contributions caps and decreases the income level at which Division 293 applies. These changes are in accordance with the proposed Objective.

In our submission on this measure in the consultation phase¹ we expressed the view that the role of the Age Pension needs to be reinforced as one of the three pillars of the retirement income system, as there is a perception that the Age Pension is to be phased out and replaced by superannuation. The current wording of the Primary Objective that refers to superannuation as "substituting or supplementing the Age Pension" does not adequately incorporate the role of the Age Pension as the primary income support for many Australians.

We again recommend that the Reference to substitution of the age pension should be deleted.

Women are more likely than men to be reliant on the Age Pension as their main source of income in retirement; and they are less likely to have retirement savings in superannuation or other investments, as noted in our submission to the Senate enquiry on Women's Income Security in Retirement.² Accordingly the role of the Age Pension in the retirement income system should be entrenched in the objectives.

The secondary objectives as stated are appropriate for inclusion in regulations.

The only comment that NFAW would make on the wording of the secondary objectives relates to the objective to "alleviate fiscal pressures on Government from the retirement income system". Our concern with this objective is the perception that superannuation is becoming seen as the primary retirement income policy, potentially supplanting the Age Pension.

Thank you for the opportunity to contribute to this Inquiry.

¹ Attachment 1

² Attachment 1; Appendix 3