

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

Question: sbt 53

Topic: Changes to Superannuation Preservation Age

Hansard Page: E60-61 (22/10/09)

Senator BUSHBY asked:

Senator BUSHBY—I was just trying to focus on where those discussions are being held. It is a broader thing that I was asking about rather than just that report. I was wondering whether Treasury had looked at those issues in a general sense. The strategic issues report on retirement and income policy as part of the Henry tax review argues that the superannuation preservation age should be lifted to 67. Has Treasury done any attitudinal research to assess what the impact of this change would have on the mindset of Australians to make voluntary superannuation contributions?

Senator Sherry—That was an interim report not the final report?

Mr Murphy—Yes.

Senator BUSHBY—Once again, it is changes like this that have the potential to impact on the efficiency and the operation of the markets, and I am interested in Treasury's view.

Mr Murphy—It is clearly a Henry review matter. They are undertaking extensive consultation.

Mr Martine—I understand it is an issue that the tax review people have obviously been looking at, so if there is any issue of research which may or may not have been undertaken it would be more an issue for them. I am not quite sure what the answer is to your question.

Senator Sherry—I would just point out that there have been previous occasions when the preservation access age has been increased from 55 to 60. I suppose we could take on notice to check whether there were any attitudinal studies undertaken there. The other probably relevant area is the increase in the female pension access age from 60 to 65; although there is no saving directly as a consequence there might be some relevant attitudinal surveys. I do not recollect any, but we could certainly take it on notice and check.

Answer:

No. Treasury has not undertaken any such research in relation to the Panel's recommendation to increase the preservation age. Treasury is also unaware of any such research having been undertaken in the past.