Older Australians' views on the superannuation system

2025

SUPER MEMBERS COUNCIL

National Seniors AUSTRALIA

Executive Summary

The Super Members Council and National Seniors Australia asked more than 3000 older Australians aged 50-plus about their views on the super system. The survey was distributed online to National Seniors members and supporters in October 2024.

Older Australians overwhelmingly value our national superannuation system and what it has delivered for them. Superannuation was viewed by most as critical to their retirement planning.

Approximately 79% of respondents said super was 'very important' and a further 15% said it was 'somewhat important' to their retirement planning. Three in 4 respondents believed they would not have saved as much without compulsory super.

The survey also asked respondents about the fundamental principles that have unpinned the success of Australia's world-envied superannuation system – universality, compulsion, preservation and concessional taxation.

Nearly 90% or more of respondents agreed with each of the four principles, representing near-universal endorsement.

- Universality – every worker should get super: 97% agreement
- Compulsion – super guarantee contributions are a mandated part of employment entitlements: 96% agreement
- Preservation – super must be saved for retirement: 89% agreement
- Concessional taxation – super contributions are taxed lightly 94% agreement.

Related to this, respondents were asked to indicate how confident they were that super rules contributed to system strength, sustainability and equity.

Most respondents were confident that the rules governing super make the system strong (77% confident) and sustainable (74% confident).

The survey findings were less emphatic about the superannuation system promoting equity. Fewer respondents (60%) endorsed the equity of the super system compared to proportions endorsing its strength and sustainability.

Compared to the overall sample, women, people in poorer health and those with less formal education had significantly lower levels of confidence in the equity of the super system. These groups generally do not have equal access to the benefits of superannuation due to disrupted work histories or lack of employment opportunities.

Considering current debates about rules governing early access to super (prior to preservation age), the survey sought to test respondents' support for changes to rules for early access for hardship, compassionate, and medical reasons.

We found there was low support for changes to existing rules.

Access to super prior to preservation age for additional reasons was not supported by most respondents with 88% nominating they had at least one concern. The top concerns were the financial impact on people with low balances and future cost to taxpayers due to greater need for income support from the Age Pension.

Only 17% of survey respondents supported allowing early access for a house deposit.

Executive Summary

Older Australians also identified areas for improvement in the system and ways it could be strengthened.

During the retirement phase, respondents strongly supported changes to retirees' experience with the system, including:

- Allowing direct contributions into retirement accounts: endorsed by 78%
- Increasing the concessional tax rate on super earnings when super balances are above $3 million: endorsed by 57%.

The survey also investigated older people's use of lump sum payments. In retirement, super savings provide an important source of funds for large or unexpected expenses.

Half of the survey sample had drawn a lump sum from their super mainly for purchasing vehicles or travel and leisure.

Those at risk of financial disadvantage were significantly more likely to use a lump sum to pay for basic needs such as health or aged care services, to buy household goods or even enter the housing market.

In these circumstances, access to lump sums provides peace of mind and a financial tool in the absence of access to borrowing, which is generally facilitated by the existence of regular income from employment.

Contents

Context and background

National Seniors Australia (NSA) is a member-based organisation that conducts research and advocacy activities for and with older people in Australia.

The Super Members Council (SMC) advocates on behalf of all Australians who have retirement savings managed by profit-to-member superannuation funds.

This report is based on a survey of more than 3000 Australians aged 50+ that aimed to understand the ways older people engage with their own super-based retirement savings, with their specific super fund, and with the super system as a whole.

Since the introduction of the superannuation guarantee in 1992, there has been a steady increase in overall financial wellbeing and security for retirees.

Super covers around 90 per cent of employees, with median balances of around $200,000 for workers nearing retirement today, Analyses by SMC showed a 30-year-old can expect to reach retirement with about $500,000 (in today's dollars), thanks to compulsory superannuation.

Many current retirees are entering retirement with relatively large super balances that have accrued generally without a lot of oversight or engagement on their part.

Once people enter retirement, they are likely to interact more with their retirement savings and the super system generally.

The inherent complexity of the super system is well recognised, as is the need for better resources to assist people in managing their retirement finances.

Less is known about what older people themselves value about super, what they need in terms of advice and engagement from their super funds and the changes, if any they would like to the way the system operates.

A challenge to identifying older people's values and needs regarding the super system is the increasing diversity amongst retirees.

- Retirement is no longer a single life event, rather for some it's a process across many years encompassing various stages such as transitioning to retirement, working post Age Pension age and moving in and out of retirement).
- Characteristics of retirees themselves have also changed since the implementation of the SG: lower rates of home ownership; more entering retirement with housing debt; greater rates of divorce and re-partnering; greater expectation of the retirement lifestyle; increasing expectation of health interventions and aged care costs.

The aim of this report is to present older people's perspectives on their super and the super system accounting for differences in life circumstances.

Context and background

The 2024 Super Survey

The Super Members Council (SMC) partnered with National Seniors Australia (NSA) to recruit approximately 3000 older Australians (aged 50 years and over) to participate in an online survey about retirement finances, with an emphasis on superannuation.

The survey was designed to provide a snapshot of the characteristics and life circumstances that influence older people's perspectives on their super and the super system.

Recruitment occurred through NSA's online communication channels including newsletters and social media promotion. The survey was conducted from late October to early November 2024.

Although the survey attracted respondents from all states and territories, the sample is not demographically representative of people aged 50-plus in Australia. Respondents were generally wealthier, had higher super balances, more years of formal education and retired later than in the general population. More men than women responded to the survey. We collected a large range of demographic information so were able to examine subgroups of interest including those who were at risk of financial disadvantage.

For more details of methods see the Methods and Sample section towards the end of this report.

Comparisons between the survey sample and the general population are included in an online supplementary file.

In the following pages we present the survey results, grouped under 6 topic headings:

- Characteristics of the survey respondents and their retirement status
- Respondents' finances
- How important super is to the respondent pool
- The ways in which respondents have engaged with their super fund
- Respondents' expectations of their super fund
- Respondents' views about the super system.

In total, there were 3711 survey responses. Most questions were not compulsory, so respondents did not answer all questions. Also, some questions were not applicable to everyone (e.g. to people with no superannuation, people in self-managed funds). Many questions had an 'unsure' option too. When reporting on each question we indicate the subsample who answered it and who did not answer 'unsure'. We report the numbers of 'unsure' responses separately where they are relatively high and therefore informative.

Findings

Respondent characteristics and retirement status

Overview of the sample

Across the 3711 responses received, respondents' ages ranged between 50 and 94 years, with a mean age of 70.

A higher proportion of men (53%) than women (46%) participated in the survey. Six non-binary people also participated. Because of their low proportion, any gender-based statistical comparisons are restricted to the woman/man binary.

Overall, the sample was highly educated with 45% holding a bachelor's degree or higher qualification, and 75% considered themselves in good to excellent health.

Table 1 presents an overview of key socio-demographic characteristics of the survey respondents. Table 2 presents respondents' retirement and financial traits.

Table 1. Respondent socio-demographic characteristics (percentages exclude unsure and nonresponses).

	Number	Percent
Age group		
50-66	828	22.7%
67-77	2079	56.9%
78-plus	746	20.4%
Gender		
women	1707	46.4%
men	1967	53.5%
non-binary people	6	>0.1%
Formal education		
schooling to year 12, trade or other certificate	1200	35.1%
diploma	737	20.2%
bachelor's degree or higher	1628	44.7%
English as first language		
grew up speaking it	3435	94.3%
learnt it later or as adult	208	5.7%
Health		
excellent	611	16.7%
good	2122	58.2%
fair	774	21.2%
poor or very poor	142	3.9%

Retirement status and retirement reasons

Within the respondent sample, 67% were permanently retired, and a further 12% retired but open to working (Table 2).

Among them, the median retirement age was 64 years (range 40-85 years). Retired respondents had spent between 0 and 42 years in retirement (median 8 years).

Approximately 9% had not retired, with a further 9% transitioning into retirement and 3% moving in and out of retirement. For those who were not retired or in the process of retiring, 30% were intending retirement within 2 years and a further 38% within 5 years.

Table 2. Retirement status and financial traits of respondents (percentages exclude unsure and nonresponses).

Characteristic of interest	Number	Percent	Number	Percent
Retirement status				
not retired	320	8.8%		
permanently retired	2454	67.4%		
transitioning to retirement	330	9.1%		
retired but open to working	436	12.0%		
moving in and out of retirement	100	2.8%		
Homeownership				
own outright	2970	81.4%		
own with mortgage	321	8.8%		
renting	177	4.9%		
other	182	5.0%		
Main income source				
super	1887	52.9%		
other savings & investments (incl. property)	396	8.3%		
Age Pension	629	17.6%		
salary from employment or own business	411	11.5%		
other	325	9.1%		
Wealth				
Super balance		Couple		Individual
up to $200k	212	14.8%	326	23.4%
$200k to $500k	336	23.5%	425	30.5%
$500k or more	881	61.7%	642	46.1%
Savings (excluding super)		Couple		Individual
up to $200k	858	55.0%	1068	63.7%
$200k to $500k	292	18.7%	290	17.3%
$500k or more	409	26.2%	1676	19.0%

The survey asked retired respondents what their reason for retiring was (Figure 1).

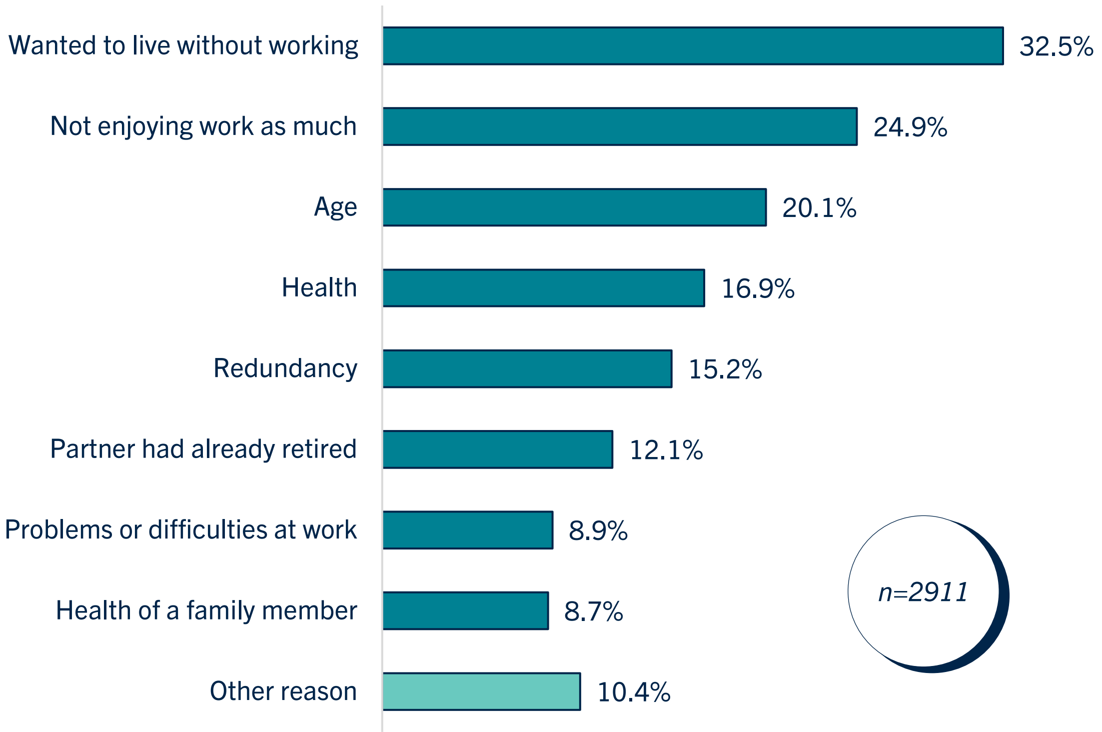

Figure 1. Proportions of respondents nominating each retirement reason. Respondents could select more than one reason.

For most people, the motivation for retiring was 'to live life without working', followed by 'not enjoying work' which suggests that continuing to work in late life was generally not a financial necessity amongst this cohort.

There were significant gender differences in reasons for retirement. Women were more likely to retire due to health reasons – either their own or those of a family member – or because their partner had retired. Men were more likely to retire due to age, redundancy, or desiring a life without work.

Being younger was associated with retiring because of work problems, redundancy or health of a family member. Those in better health were more likely to retire because their partner had retired, or they wanted a life without work. For Age Pensioners, the retirement decision was associated with being younger and having poorer health.

For the model estimates supporting the patterns we report, see the supplementary file pp. 3-7.

Respondents' finances

Survey respondents were a relatively wealthy cohort compared to the general population of people aged 50-plus (p. 1. supplementary file). They had higher rates of home ownership and superannuation savings with just over 50% of retirees drawing on super savings as their main source of income.

In reference to assets and income, respondents were asked to specify if they were answering as part of a couple with shared finances or answering as an individual (irrespective of relationship status). Approximately 48% answered as part of a couple sharing finances. Of those who answered as an individual, 33% also had shared finances. When excluding super, approximately 26% of respondents answering as part of a couple and 19% of those answering as an individual had $500k or more in other savings and investments (Table 2).

Income

Super was the main source of income for just over half of respondents with approximately 22% of this group also receiving a part Age Pension (Figure 2).

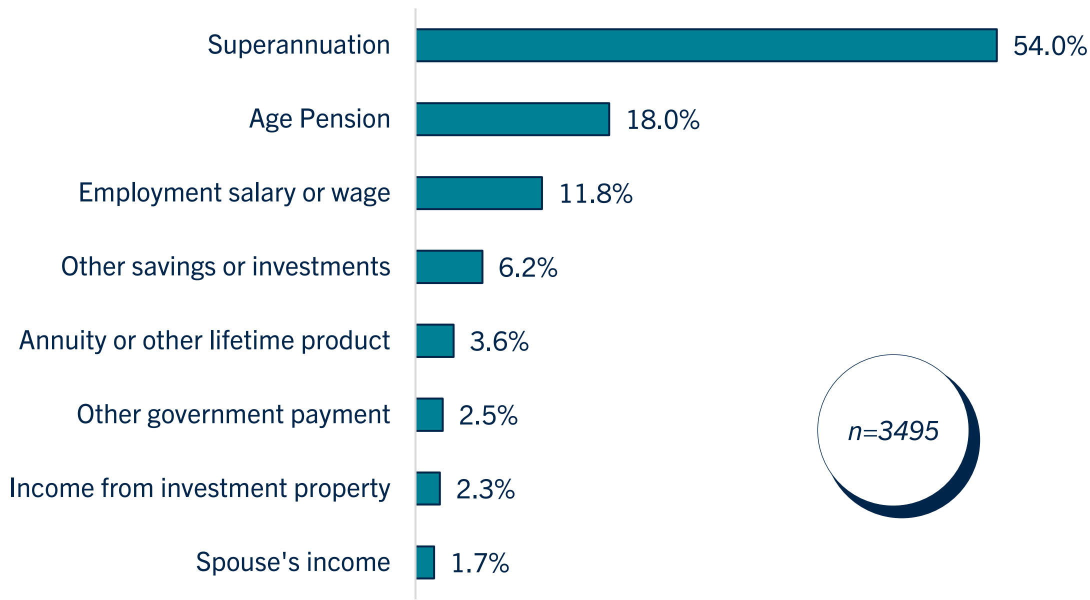

Figure 2. Respondents' main source of income.
'Unsure' (0.5%) and 'Other' responses (1.5%) not included in total.

Of the 18% who received the Age Pension as their main income, two-thirds (67%) had some level of super; 13% received the full Age Pension.

Home ownership

Retirees' financial wellbeing generally depends on homeownership. Housing costs whether through mortgage repayments or rent are difficult to sustain after moving out of the paid workforce. The adequacy of the Age Pension as income support payment for retirees assumes that recipients own their own home.

Homeownership rates in the survey sample were comparatively high compared to the general population. Outright home ownership was at 81% and a further 9% had a mortgage, with 5% of respondents renting their home For comparison, nationally 77% of people aged 50-plus own their home either outright or with a mortgage.

Overview of respondents' superannuation

Just over 90% of respondents had superannuation and a further 7% had previously had super but spent it. The types of super accounts held by respondents are provided in Table 3.

Table 3. Types of super accounts held by respondents.

Account type	Number	Percent
Accumulation account	1135	41.5%
Transition to retirement account	247	9.0%
Superannuation pension account	1739	63.7%
Defined benefit account	435	15.9%
Other	75	2.7%

Approximately a quarter of people had more than one type of super account. The combination of accumulation and super pension account was the most common (16%). A further 7% had accumulation and defined benefit accounts and 3% had an accumulation and defined benefit account.

Of the 50% of respondents who had switched super funds, most (31.4%) had done so before they retired with approximately 12% switching after retirement and 8% around retirement transition.

Respondents' main super fund type is shown in Table 4

Table 4. Main super fund by super fund type.

Account type	Number	Percent
Industry	1223	42%
Retail	572	20%
SMSF	464	16%
Public sector	282	10%
Exempt public sector	276	10%
Corporate	74	3%
Total	2891	100%

Overall, high proportions of respondents had super balances of $500k or more whether they answered as a couple or for themselves only (Table 2). Across all ages, over 60% of people answering as part of a couple had $500k or more.

Super balances only varied significantly according to age for people who answered financial questions as an individual. For this group, older ages were more likely to have lower super balances. Women, people with lower education, renters or those with a mortgage, pensioners, those in poorer health, and people living outside a metropolitan area all had lower levels of super (Figure 3, next page).

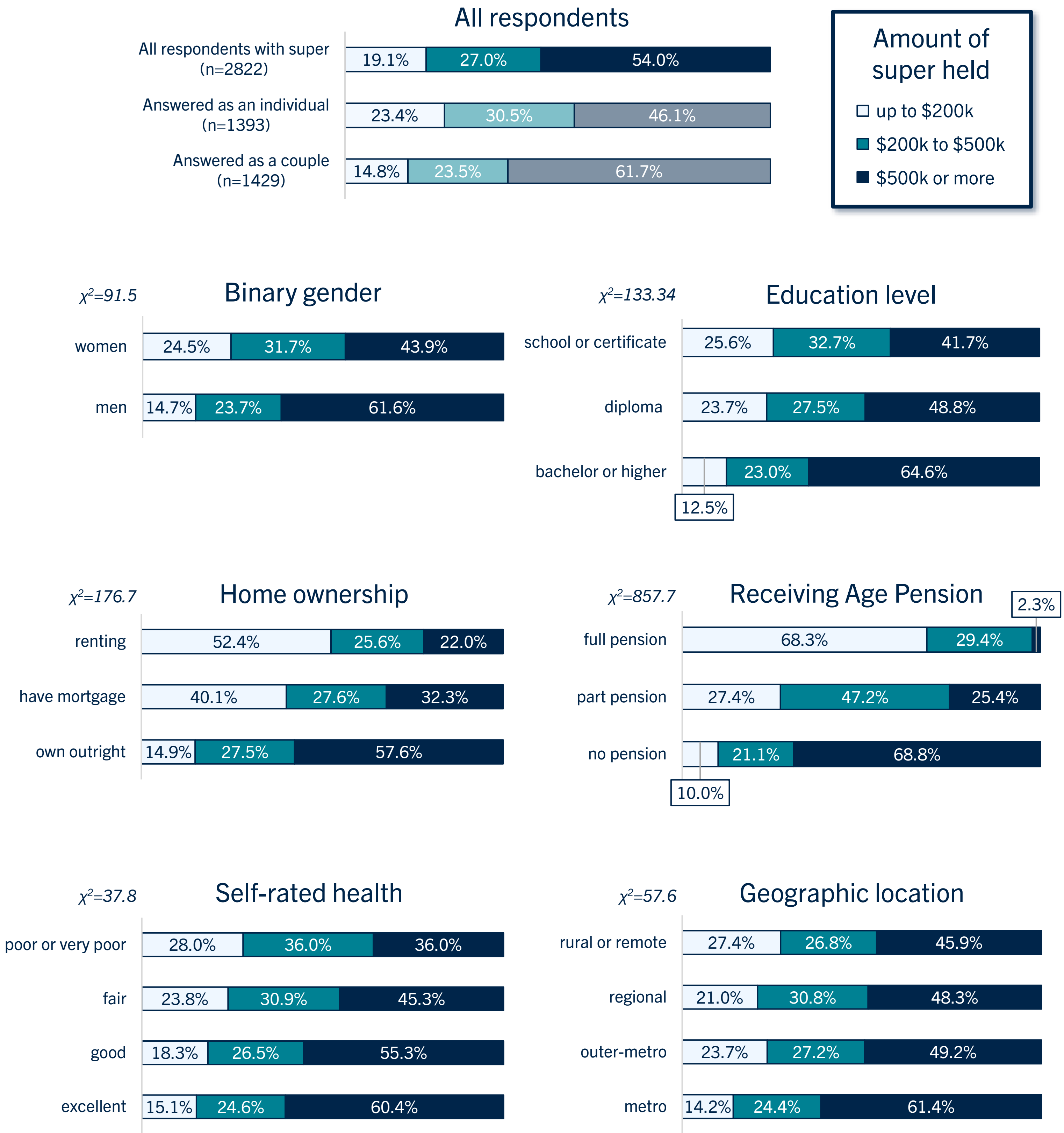

Figure 3. Amount of super held by whole sample (top) and comparisons by different socio-demographic groups (six lower charts). For the six lower charts, $p<0.001$. Legend for all charts is at top right of screen.

The importance of super to survey respondents

The benefits of compulsion (employers must pay super to employees) and preservation (super being generally inaccessible until age 60) mean retirees have a pool of money in retirement they are unlikely to have accumulated otherwise.

This gives greater choice and flexibility to respond to spending needs at a time when capacity to generate income from other sources or access other forms of support are limited.

Respondents were asked for their views on the importance of super for retirement planning. They were also given several opportunities to comment on aspects of super and many people did so.

> *"Australians are extremely fortunate to have our superannuation system, that should be no more than tweaked into the future. It is robust, strong and supportive to all Australians"*
> (Female, 70, QLD)

Super for planning

Overwhelmingly, respondents endorsed the importance of super for retirement planning. Only 6% said it was not important, with 79% saying it was 'very important', and a further 15% nominating it as 'somewhat important'.

Most (76%) believed they would not have saved as much without compulsory super, although 3% thought they would have saved more.

> *"Super has been my main 'force' as an investment in planning for my retirement"*
> (Male, 74, QLD)

Super provides lump sums for large expenses or debts

Throughout retirement, people have the option to access lump sums from their super. Lump sums act as an important source of funds for large expenses such as the cost of home modifications, healthcare costs, paying off a mortgage, or purchasing a new vehicle.

Of the 53% of respondents who had drawn a lump sum from their super, the top reasons for accessing these funds were for purchasing vehicles (37%), travelling and other leisure reasons (33%), and paying for home modifications or renovations (30%). Respondents could select more than one reason (Figure 4, over page).

People at risk of financial disadvantage are likely to differ in their use of lump sums from those who are financially better off (see breakout box over page).

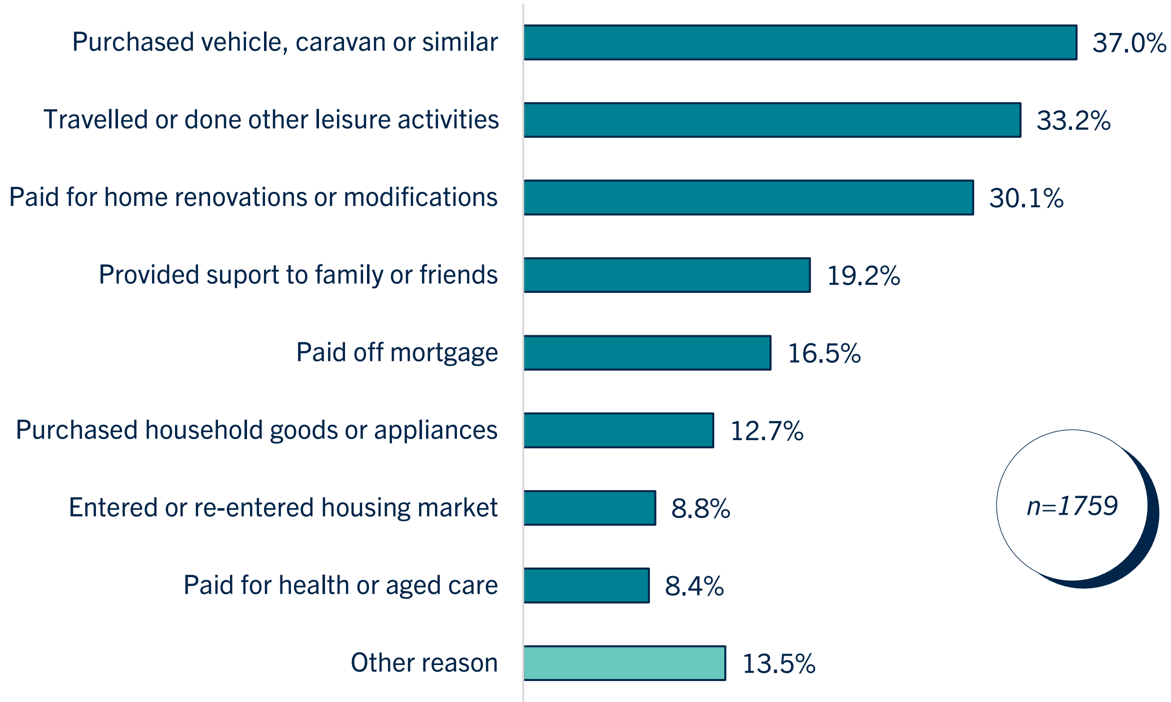

Figure 4. Reasons for lump sum withdrawal. Respondents could select more than one reason.

We compared proportions across lump sum withdrawal reasons between people whose life circumstances align with one or more risks for later life financial disadvantage compared to the rest of the respondent sample.

Significantly higher proportions of people at risk of financial disadvantage used a lump sum to access health or aged care services, buy household goods and to either enter or re-enter the housing market.

Significantly lower proportions of people at risk of financial disadvantage used lump sums for home modifications and travel or leisure activities

Figure 5 over the page compares the proportions accessing lump sums in retirement according to whether they are at risk of financial disadvantage or not.

People at risk of financial disadvantage

For some calculations in this report, it made sense to compare the situation of people who are at risk of financial disadvantage in later life to those who are at less risk.

Note this is not a marker of individuals' actual risk of disadvantage. Those in the group belong to one or more socio-demographic categories of people who, on average, face a higher risk of financial disadvantage in retirement.

For this report, the group includes single women; people with lower formal education; renters and people with a mortgage; Age Pensioners; First Nations people; people from a rural or remote area; and people with fair, poor, or very poor self-rated health.

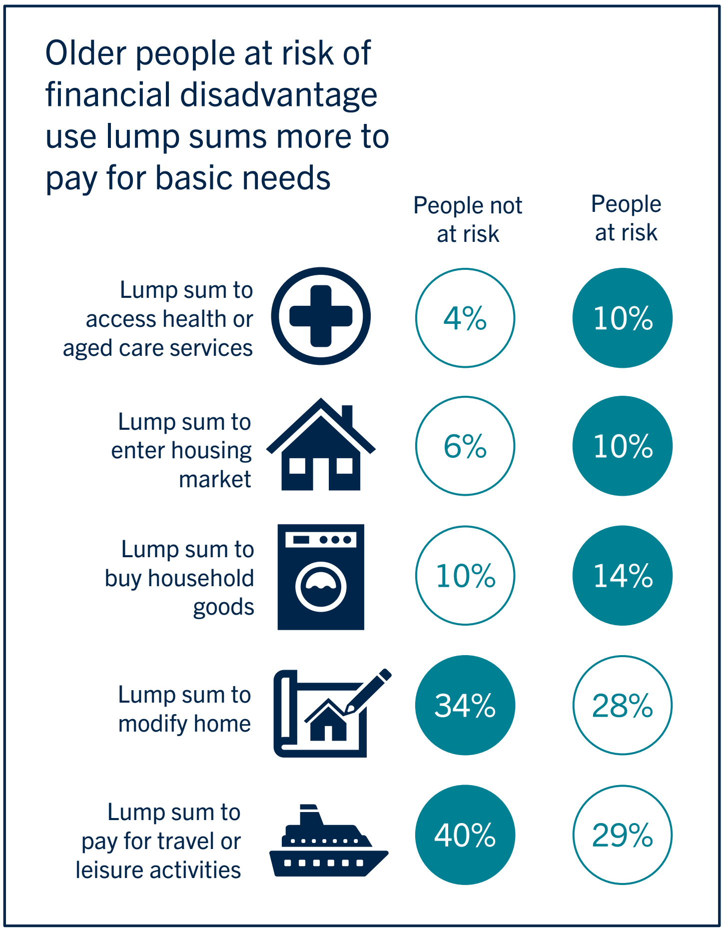

Figure 5. Comparisons between people in the financially-at-risk group and the rest of the sample in how super lump sums were spent (for all differences, $p<0.001$).

Super for peace of mind

Retirees with higher super balances have the option of living on super earnings and being able to retain most or at least part of their super capital.

In the general population, this is a small proportion of retirees, but amongst survey respondents, 37% intended to maintain most or all of their super during their retirement, with a further 37% intending to maintain at least part of it.

> *"It is a form of savings, that you never know when you might need it and 'save for a rainy day'"*
> (Female, 76, WA)

Only 10% intended spending all of it, with a larger proportion (15%) saying they were unsure. Those who were older, who did not receive the Age Pension and had higher super balances were most likely to intend maintaining most or all of their super. For those with up to $200k, 32% intended to maintain their super savings whereas approximately 48% of people with $500k-plus intended to maintain their super savings.

Anyone who had no intention of spending all their super in retirement was asked why they wanted to maintain it.

For this group, super savings were intrinsic to providing peace of mind and buffering against the multitude of uncertainties associated with later life including longevity risk (not knowing how long we will live), generating income, medical and health needs, and care needs (Figure 6).

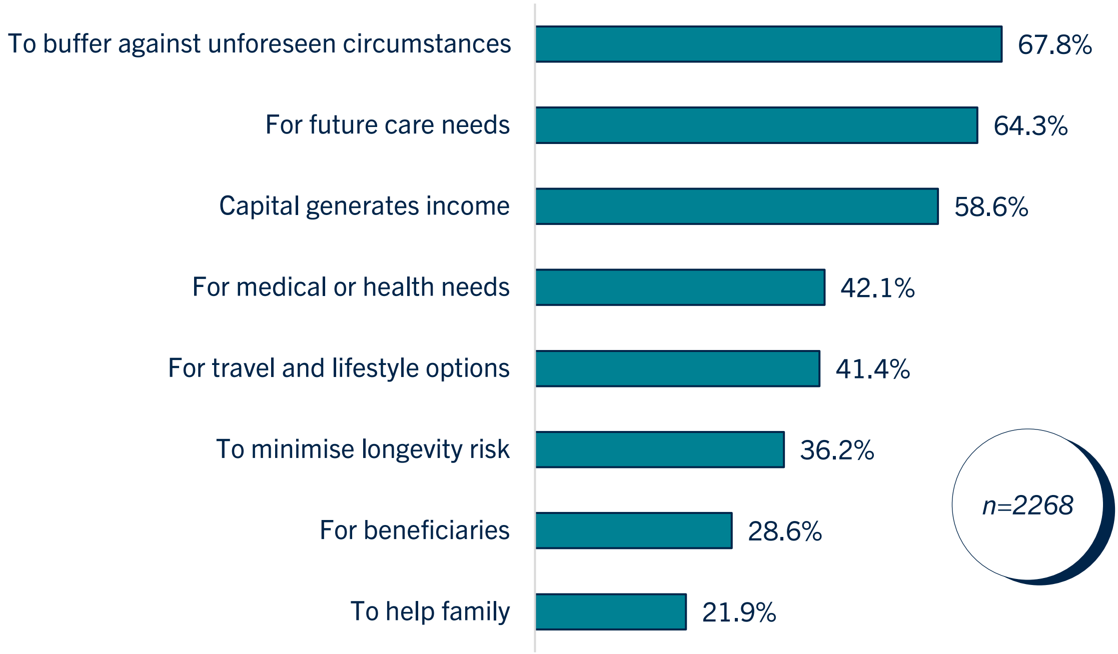

Figure 6. Reasons for maintaining the capital of super savings. Respondents could select more than one reason.

The motivations for keeping super savings differed according to demographic characteristics.

- Men were more likely than women to want to keep super for beneficiaries, for helping family, or to buffer longevity risk.
- Higher education was associated with using super savings to generate income, to maintain lifestyle, to buffer longevity risk, and for potential care needs.
- Those in poorer health were more likely to keep it for health and medical needs and for their beneficiaries but less likely to keep it for lifestyle reasons.
- Being on the Age Pension, whether part pension or full pension, was associated with wanting to keep super savings for helping family but being less likely to keep super for care needs.

Unsurprisingly, those with higher super balances were more likely than others to maintain their super savings for all the reasons provided. The strongest associations were with protecting against longevity risk and generating income, followed by helping family and passing onto beneficiaries (see supplementary file tables 8-11 for model estimates).

Engaging with one's super fund

Substantial evidence shows that people do not readily engage with the super system, that it is overly complex and does not account for the diversity of retirees' lives and circumstances. To effectively support retirees' financial wellbeing with appropriate products and services, super trustees need to understand their members' financial expectations, priorities, and needs.

We asked how frequently people engaged with their main super fund through different types of activity, and how useful they found different types of information from their super fund.

Figure 7 presents the frequency of engagement activities. It shows that with the exception of checking account balances (first row) and reading fund publications (second row), most tasks are undertaken yearly or less.

Of particular note, over 50% of those with super had never been in contact with either a free adviser or a fee-based adviser from (or via) the fund, although it is unknown whether these services were offered or not to respondents. Forty-one percent had never changed their investment options.

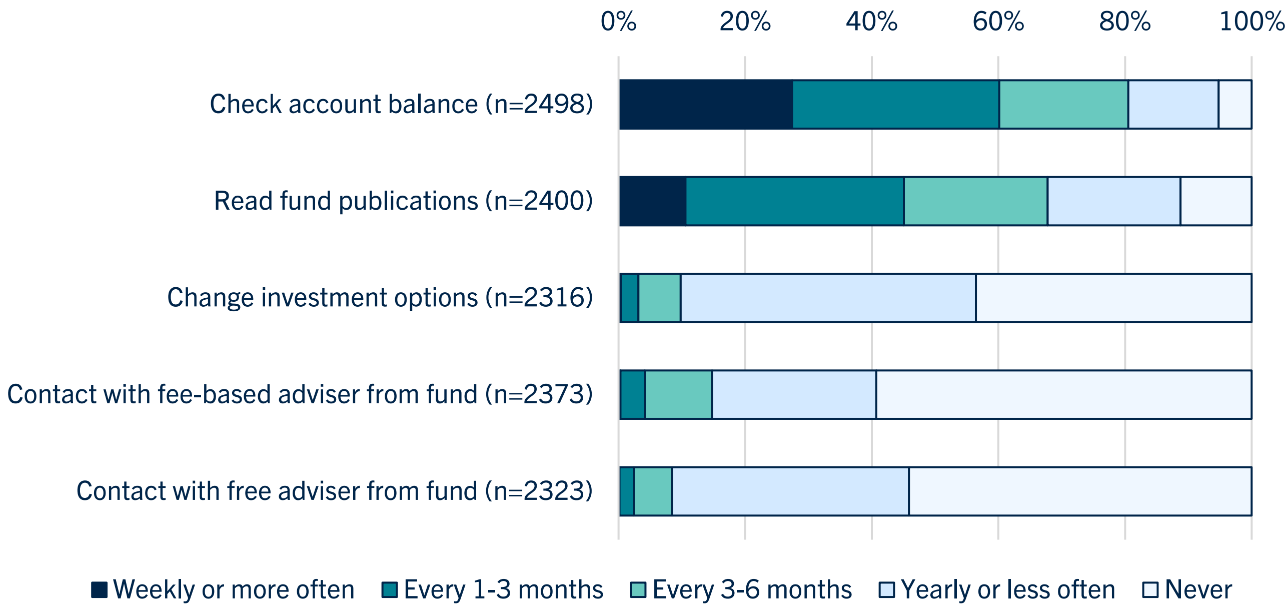

Figure 7. How frequently respondents engaged with their main super fund through five key activities.

When asked which sources of information from their main super fund were the most useful to respondents (Figure 8), websites and fee-based or free consultations with advisers received the highest proportions of 'very useful' votes. Websites, factsheets, and subscriber newsletters received the lowest proportions of 'not useful' votes, indicating they came out on top in terms of overall usefulness.

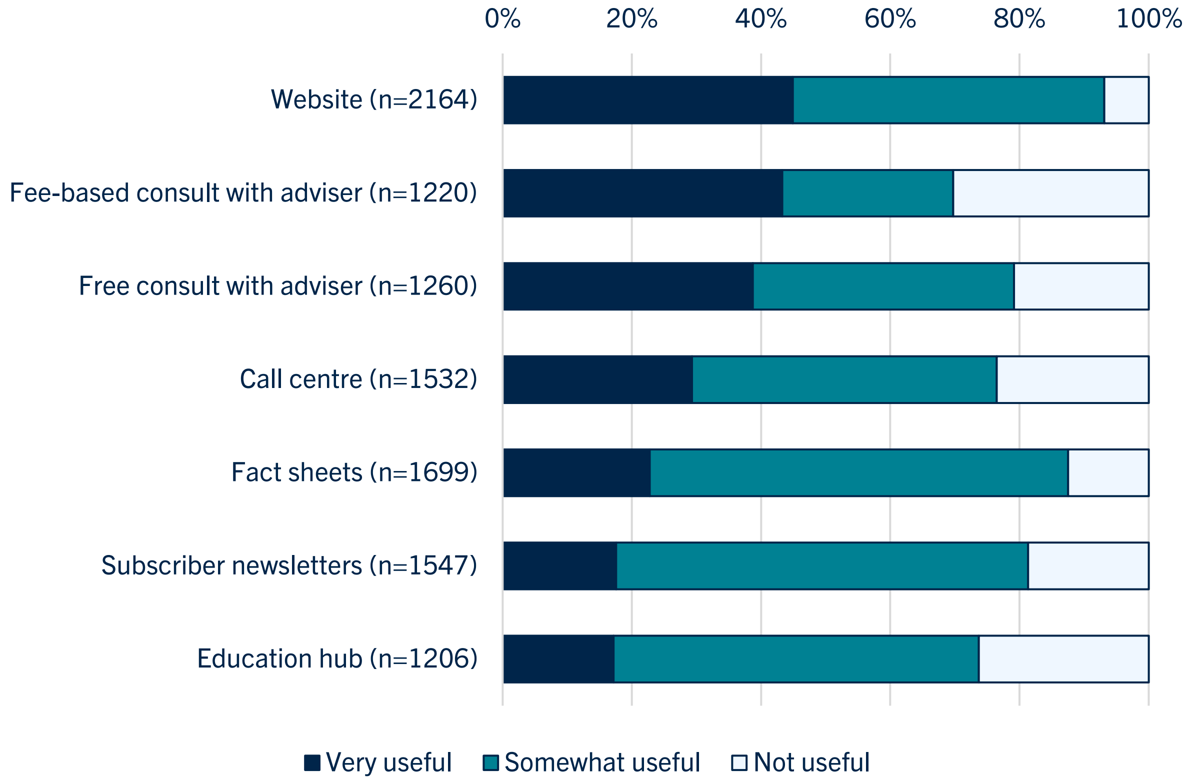

Figure 8. Respondents' ratings of how useful they found their main super fund's information sources to be.

The proportions in both Figures 7 and 8 are presented with 'unsure' responses excluded from totals; that is the main reason the *n* for each item is substantially lower than the overall survey sample size of >3000. All but one of the fund-based resource options we asked about received a high proportion of 'unsure' responses, ranging between 21% (newsletters) and 38% (fee-based consultations). The exception was website engagement, but even that incurred an 8% unsure response. This suggests that many older Australians are not familiar with these resources or have not used them.

Socio-demographic differences in engagement with super funds

Retirement status could be expected to affect the type and level of engagement that people have with their super fund.

People who were transitioning into or moving in and out of retirement checked their super balance more frequently than retirees and non-retirees. In this group, 86% checked their super balance every 6-months or more compared to 78%-80% of retirees and non-retirees.

As shown in Figure 7, all respondents had limited engagement with super fund advisers, either free or fee based. However, the free advisory service was used in a 6-month period by a higher proportion of people who were transitioning into or moving in and out of retirement (11%) compared to 7-8% for everyone else. The fee-based service was used at least once a year by 57% of retirees and people transitioning into or moving in and out of retirement compared to never being used by 67% of non-retirees. Retirement status did not affect the other engagement measures.

In terms of communicating with super trustees, there were minimal differences in preferences across retirement status. Main differences were for the usefulness of educations hubs and fee-based consultations:

- Educations hubs were considered useful by 79% of those who were not retired compared to 71% of retirees.
- Higher proportions of retirees (71%) and those transitioning into retirement (72%) found fee-based consultations useful compared to non-retirees (62%).

Differences in engagement with super funds were also apparent when comparing the group at risk of financial disadvantage and the rest of the sample.

Higher proportions of the financially at-risk group engaged yearly or less across all the indicators for interacting with their super fund (Figure 9 left).

The groups did not differ in how they ranked the usefulness of call centres, education hubs newsletters or free consultations. Lower proportions of the financially at-risk group thought websites, factsheets and fee-based consultations were useful services (Figure 9 right).

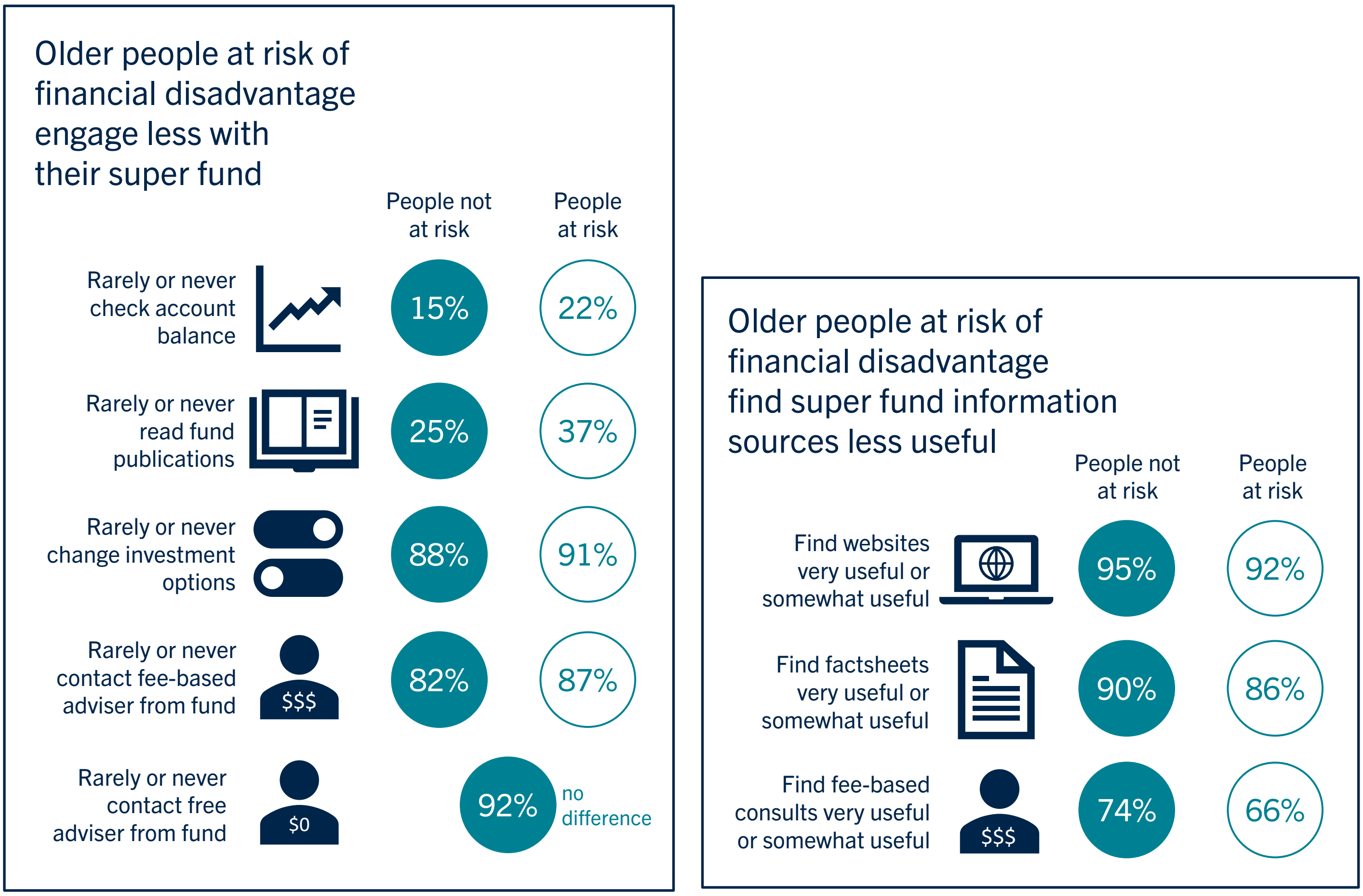

Figure 9. Comparisons between people in the financially-at-risk group and the rest of the sample in terms of (left) engaging with their super fund yearly or less (including never) and (right) finding fund information sources very useful or somewhat useful (for all differences, p<0.001).

Member expectations of super funds

Since July 2022, super trustees have been obliged under the retirement income covenant to actively support retirement outcomes for their members. This obligation to develop retirement income strategy extends into supporting members in the retirement period also.

Top four deliverables that members want from their super funds

Survey respondents were asked to pick their top four priorities from a list of eight outcomes and products provided by super funds (Figure 10).

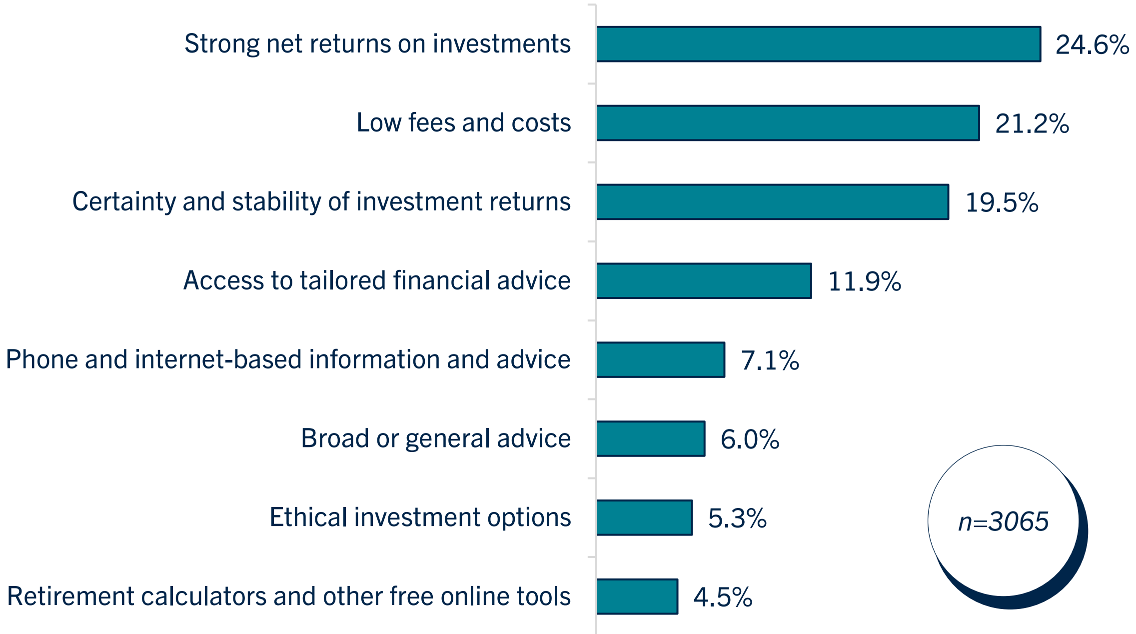

Figure 10. Ranking of super fund outcomes by survey respondents. The numbers represent weighted percentages of support and add to 100%.

Strong net returns, low fees and costs, and certainty and stability of returns were the three standout priorities. Access to tailored financial advice was the fourth priority, albeit less popular than the top three.

This ordering did not differ across age group, gender or super balance although there were slight differences in the proportions who valued each of the top four priorities. Specifically, tailored financial advice was a priority for 10% of those with a super balance of up to $200k compared to 12% of others and was a priority for 13.5% of younger respondents (aged 50-66) compared to 11% of others.

Not surprisingly, low fees were less important for people with $500k or more in super (20%) compared to the those with the lowest balances (23% prioritised low fees).

Performance test for retirement phase products

Currently funds are held accountable to members through an annual performance test conducted by APRA (the Australian Prudential Regulation Authority) This test applies to products in the accumulation phase only, so retirement phase products such as account-based pensions are not evaluated. Retirement encompasses multiple life periods and likely changes in personal circumstances. Extending APRA's performance test into the retirement stage could ensure funds deliver quality products that address some of the issues and concerns retirees experience in later life including longevity risk and potential health and aged care costs.

Three-quarters of survey respondents were aware of the APRA's performance monitoring of super products (Figure 11), and most survey respondents (72%) supported extending APRA's performance testing of super products designed for the retirement stage (Figure 12).

Approximately 19% however were not aware of APRA's current performance test and a similar proportion felt they did not know enough to have an opinion about extending oversight to products into retirement.

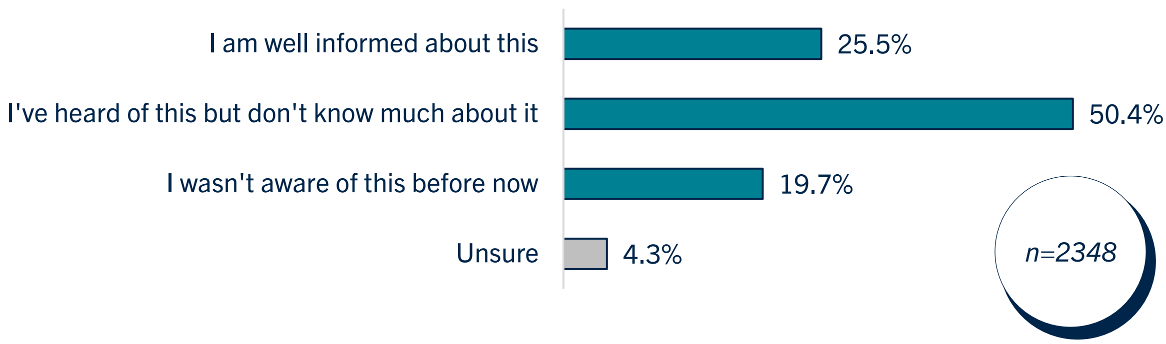

Figure 11. Respondents' awareness of the annual test by APRA that assesses the performance of some superannuation products.

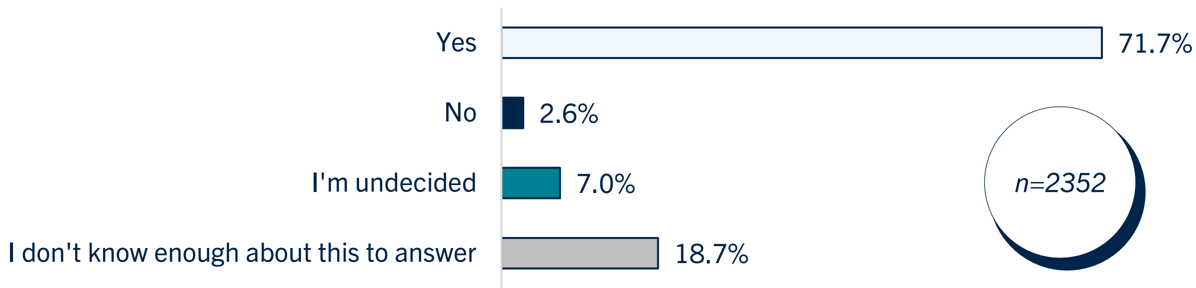

Figure 12. Agreement with the proposal that the APRA performance test should also be applied to products in the retirement phase.

Views about the super system

The final section of the survey addressed respondents' views on the rules and principles that govern the super system.

Superannuation as we know it today was established in 1992 to help everyday Australians build private savings for retirement to supplement the Age Pension. To ensure its success, the super vision was underpinned by foundation principles that sought to strengthen its effectiveness and give the whole community a stake in its success.

It was envisaged super should apply to every worker, not just those in privileged industries or occupations. It was also essential savings were preserved for retirement to resist the natural impulse to spend on current needs.

To achieve this, the Government and the Australian community struck a "deal". In exchange for a lower tax rate on super savings than most wages, spending super would be deferred until retirement.

These foundational pillars—universality, compulsion, preservation, and concessional taxation—have forged the superannuation system into a globally-envied success story.

Early access to super

Current rules specify that super can be accessed prior to preservation age in specific circumstances such as medical treatment, severe financial hardship or compassionate grounds.

Recently, with cost-of-living pressures and the increasing proportion of annual income required to save a house deposit, there is pressure for the rules governing super to allow early access for other reasons, including housing needs or large ticket items. Survey respondents were asked whether they would support allowing early access for these other reasons.

Overall, 61% said they were happy with the current rules but nearly a quarter (24.3%) supported early access for various reasons (Figure 13). A reasonable proportion (14%) were unsure.

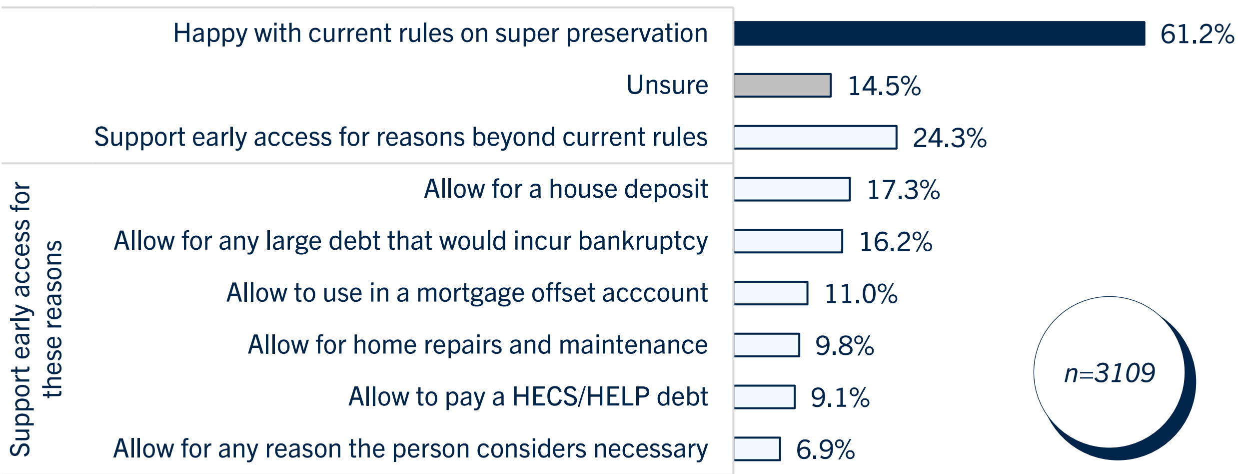

Figure 13. Percentage of respondents who wish to leave the rules on early access unchanged, who are unsure, or who support early access for specific reasons. The reasons the latter group of respondents would support allowing people to access their super early are listed in the bottom part of the graph. Respondents were able to select more than one reason.

All respondents were then given the opportunity to identify any concerns they may have about allowing early access to super, even if they had said they supported early access in general. The question asked about four previously documented types of concern, as well as offering a text box for respondents to write in their 'other' concerns. The proportions of respondents who endorsed each type of concern are presented in Figure 14.

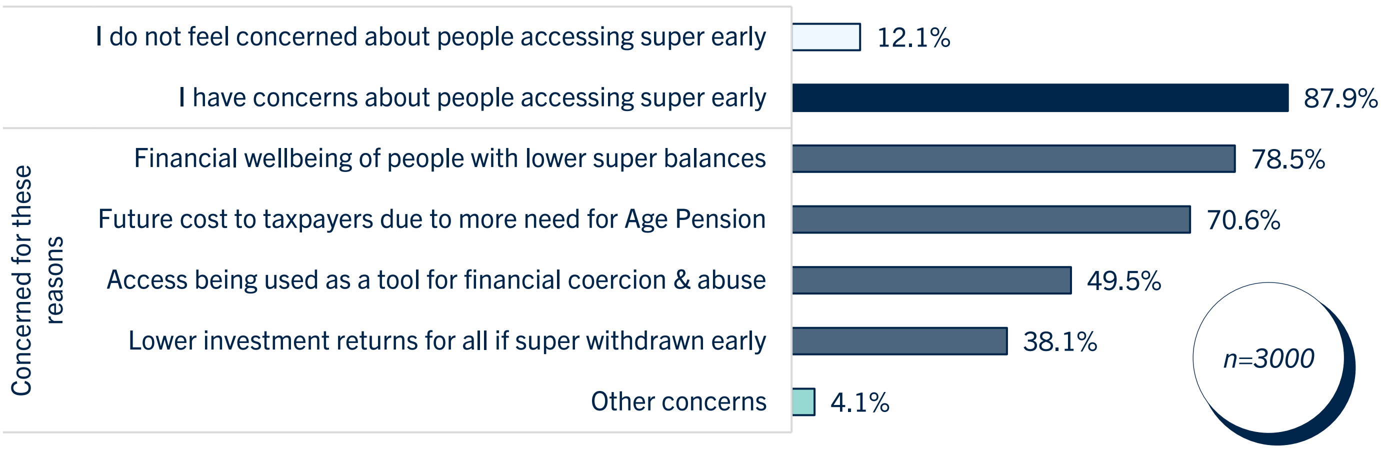

Figure 14. Proportions of respondents endorsing concerns about accessing super prior to preservation age. Respondents who were concerned were able to select more than one reason for being concerned.

Most were concerned about the adverse impact of early withdrawals on the financial wellbeing of those with low super balances, followed by the potential future cost to taxpayers because of increased need for support from the Age Pension. One in three were concerned about early access. Fourteen percent did not feel hesitant about early access to super.

Breaking those numbers down further reveals that people at risk of financial disadvantage were less likely to oppose early withdrawals than other respondents.

Significantly smaller proportions of people at risk of financial disadvantage were concerned about the effects of early withdrawal on people with low super balances and the future cost to tax-payers due to increased need for the Age Pension.

Nearly twice the proportion of those at risk of financial disadvantage were unconcerned about people accessing super early (Figure 15).

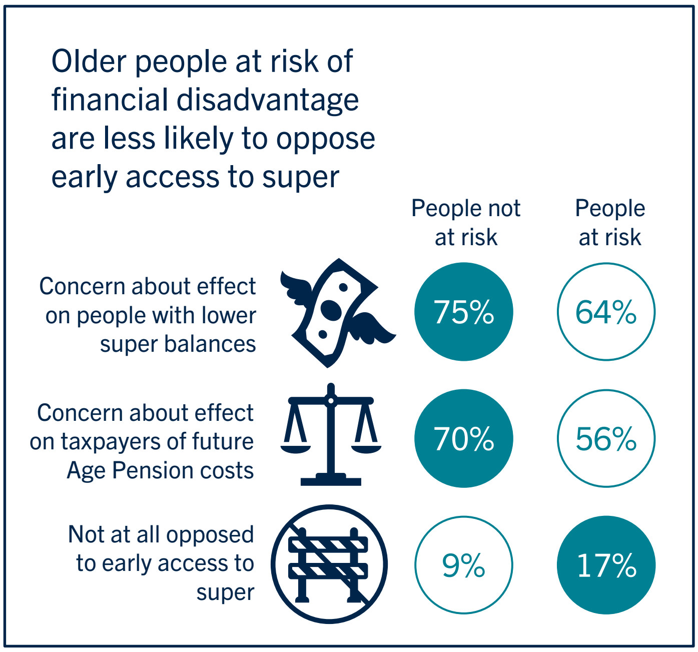

Figure 15. Comparisons between views of people in the financially-at-risk group and the rest of the sample re allowing access to super prior to preservation age, p<0.001).

Direct contributions into retirement accounts

The other super rule addressed in the survey was that which prohibits people from making contributions directly into a retirement (pension) account. People who wish to put money into super must maintain a separate accumulation account, with whatever fees and administrative burden that entails. The question asked whether respondents would support changing that rule to enable people to contribute directly into a retirement account.

This proposal was supported by 78% of respondents overall, with 50% offering strong support. Just under 3% were opposed although a portion (13%) felt they didn't know enough about this matter to have an opinion (Figure 16).

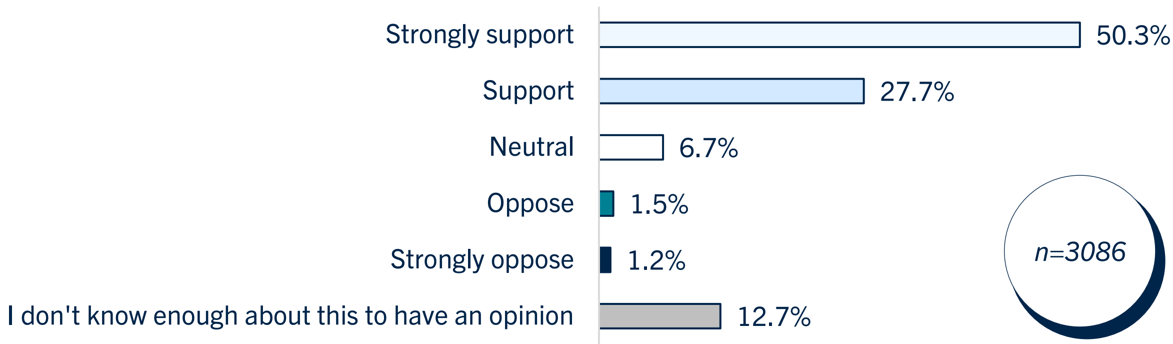

Figure 16. Level of support for the proposal to allow people to make contributions directly into their retirement account.

Increasing the concessional tax rate on super earnings above $3 million

The survey also asked respondents' views on a proposal to increase the tax rate from 15% to 30% on the earnings on super balances above $3 million. Most supported it, with only 25% saying it should not be changed (Figure 17). However, again nearly 20% felt they didn't know enough about the topic to have an opinion.

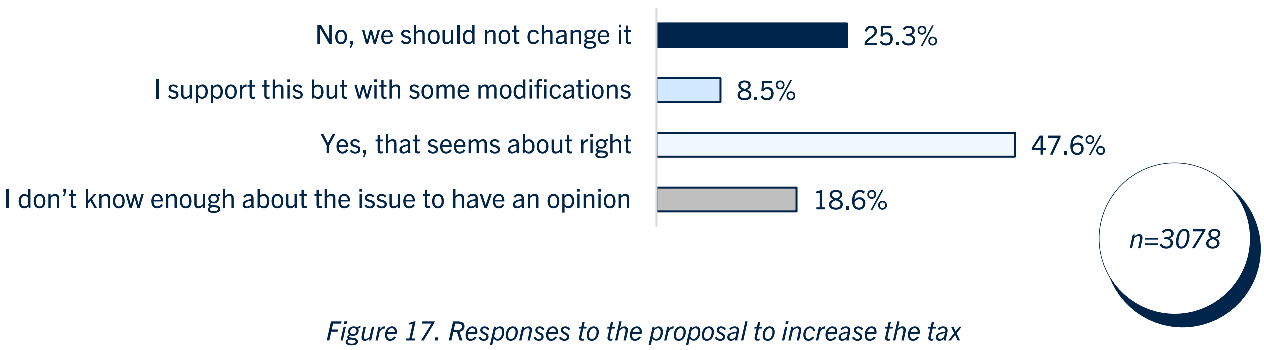

Figure 17. Responses to the proposal to increase the tax rate from 15% to 30% on super balances above $3 million.

Respondents who answered 'I support this but with some modifications' were given the opportunity to elaborate on their views in a comment and 190 people did so. The most common point, made by around two fifths of commenters, was that the balance amount it applied to must be appropriately indexed over time. Other comments included: that unrealised gains should not be taxed; that this policy should apply to a different minimum balance not $3 million; that the tax rate should increase to some other percentage not 30%; that the increase should be graduated/stepped between 15% and 30% across a range of balances; or that any increase should vary with fund holders' personal circumstances (e.g. couple status, disability status, earning capacity, or source of the high balance such as inheritance versus salary versus selling an asset).

Principles and rules of the super system

Principles: All four principles that underpin the super system were endorsed by approximately 90% or more of respondents.

The principles were described as:

- Universality – every worker should get super (96.8% agreement; 1.8% unsure).
- Compulsion – super guarantee contributions are a mandated part of people's working entitlements (96.5% agreement; 1.7% unsure).
- Preservation – super must be saved for retirement, with strict exemptions (89.5% agreement; 4.4% unsure).
- Concessional taxation – super contributions are generally taxed lightly because they are deferred to be used for retirement income (93.7%; 4.2% unsure).

Rules: Respondents were also asked how confident they were that the current rules governing super deliver a strong, sustainable and equitable system (Figure 18).

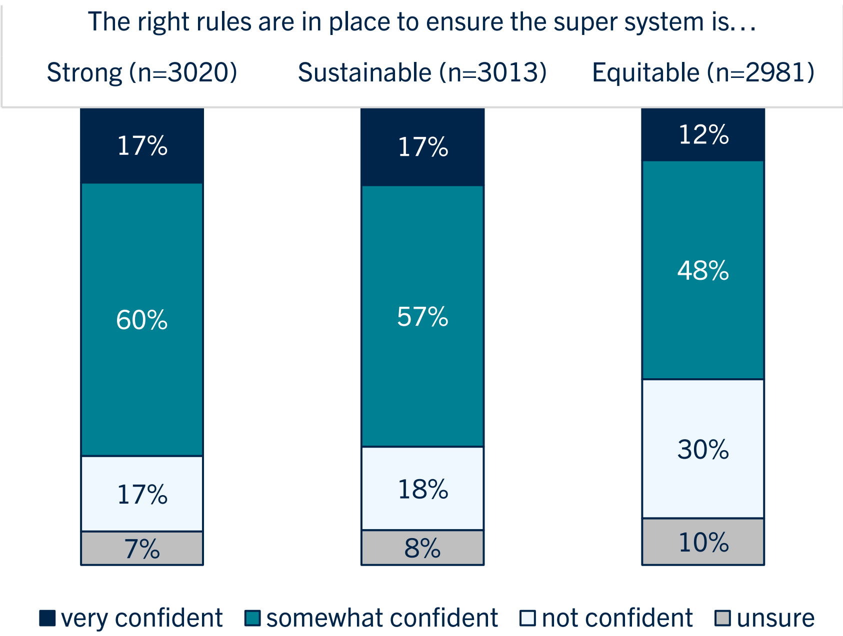

Figure 18. Respondents' levels of confidence that the right rules are in place to ensure the super system is strong, sustainable, and equitable.

The strength and sustainability rules were endorsed by approximately three-quarters of respondents, but only 60% were confident that super rules ensured the system was equitable.

To examine whether there were differences in confidence level among socio-demographic groups, 'very confident' and 'somewhat confident' were combined into the single category 'confident' and contrasted with 'not confident' responses.

Figure 19 over the page illustrates the demographic categories for which there were significant differences. Unsure' responses were excluded so confidence proportions are higher across demographic groups than in the overall reporting of results in Figure 18.

People in good health, who were fully retired and unsurprisingly, who had higher super balances had more confidence that the rules governing the super system made it strong, sustainable and equitable (supplementary file pp. 12-13).

Confidence in the rules governing equity showed the greatest number of demographic differences. Women and people with more formal education were less confident in the system rules, in addition to the differences across retirement status and super balance.

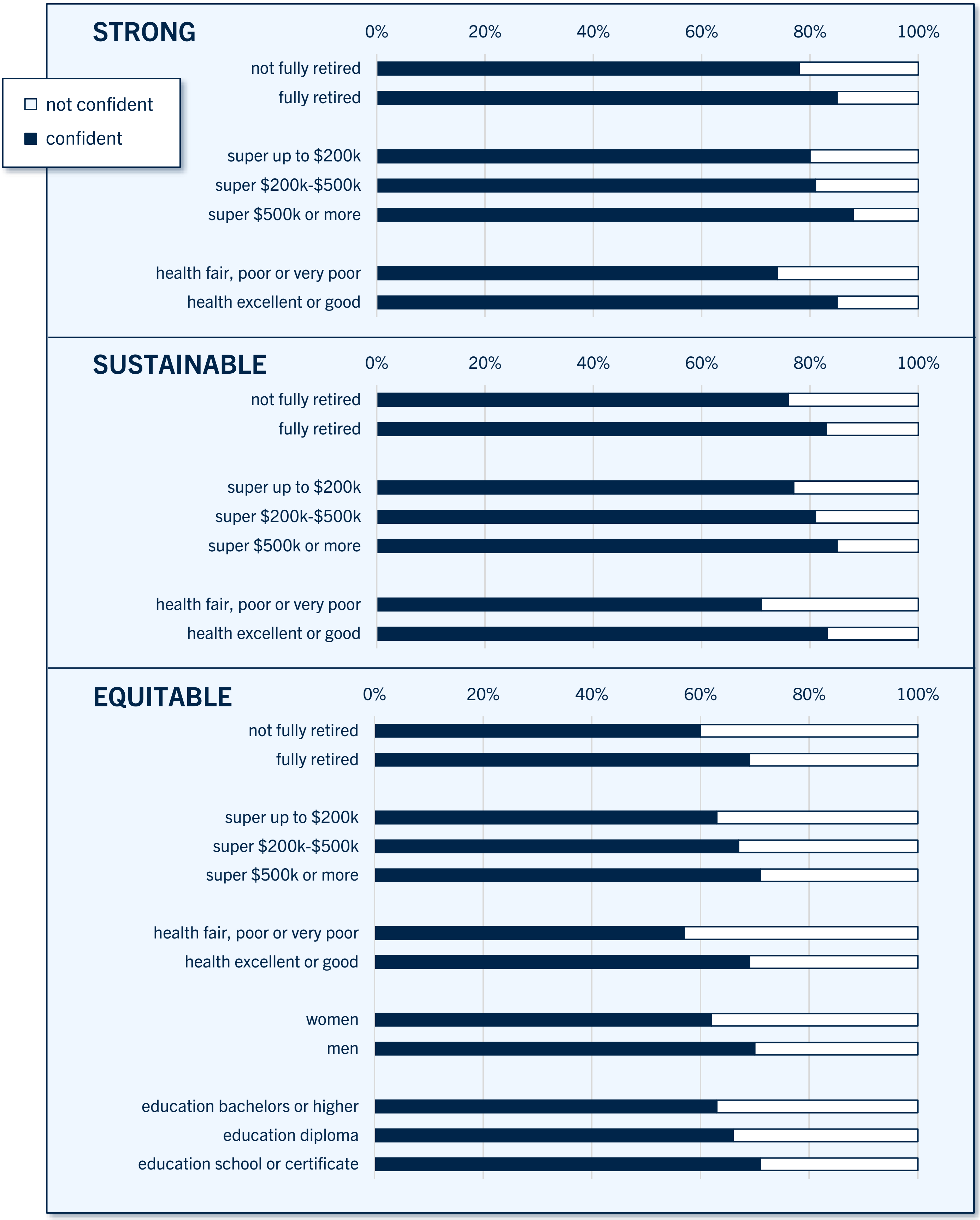

Figure 19. Socio-demographic traits for which there were statistically significant differences in confidence that the right rules are in place to ensure the super system is strong (top), sustainable (middle), and equitable (bottom). All p<0.001. The original options 'very confident' and 'somewhat confident' are combined for the 'confident' measure. Legend for all is at top left.

Methods

The data in this report come from an online survey conducted in October-November 2024. Anyone aged 50 or older residing in Australia was welcome to participate.

While many of the survey questions are discussed in detail in the text, exact question wordings can be requested from NSA Research research@nationalseniors.com.au

When inviting people to participate, we strived for inclusivity and maximising participation, rather than numerical representativeness. For that reason, we have characterised the sample in terms of key socio-demographic traits. This enables comparison with the national population where possible and these comparisons are available in Table S1 of the supplementary file.

Tables 1 and 2 of the main text present an overview of the socio-demographic and financial characteristics of the respondent sample. Most questions were not compulsory, so the total *n* differs for each trait. The calculated percentages are based on each trait's total not the overall survey sample. The data are not weighted for any socio-demographic measure.

All assertions made in the text about patterns of response relating to socio-demographic traits are based on statistical analyses conducted in Stata version 18.5. Statistical significance level was set at $p<0.05$. Relevant statistical output is available in the supplementary file.

Respondents' text responses addressing aspects of the super system were analysed using the thematic analysis framework described by Braun and Clarke. The number of comments comprising any given theme was estimated to give a sense of its prominence.

Quotes from survey respondents were reproduced verbatim, with minor typos corrected for readability but other phrasing idiosyncrasies retained.

The head office of National Seniors Australia is located in Brisbane/Meanjin but we represent older people from across this great continent.

We acknowledge the traditional custodians of the land and waters in which we operate, the Turrbul People, and all other First Nations, Aboriginal, and Torres Strait Islander people.

We honour and value their continuing cultures, contributions, and connections to Country, and pay our respects to Elders, past and present.

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