To Whom it May Concern,

I am rather astonished that there was no reference to the arbitrariness of the age cut-off for voluntary contributions to superannuation and for the cessation of the employer-paid guarantee payment. What is so magic about 75 in the first instance and 80 in the second? There are fit 75 and 80+ year olds still working, although they are, naturally, a relatively small segment of the working population. I have not seen any economic argument put forward in favour of the cut-offs. In fact, the question seems to be entirely neglected. An ageist attitude may well underlie the status quo.

The Report points out that contribution to and growth in the super system not only benefits individuals but the nation in its making-available of capital for ventures. The limits referred to in the previous paragraph are an illustration of a behaviour which contradicts this value.

Bearing in mind that the older cohort of workers has not had the benefit of the full cycle of superannuation funding, surely it would make sense to remove these age cut-offs. There also seems to be a basic principle at stake here, namely, that if you continue to work you should be paid superannuation, and if you wish to contribute to your own superannuation, you should be allowed to do so.

I think I have made some sound general points. I would invite any response which shows that the 'unfreezing' I have suggested is somehow deleterious to the individual or to the broader society.

My thoughts obviously come from somewhere, namely, my own situation. I am 70, super beginning for me in 1991, at its commencement. I am an actor (what is known as a 'jobbing' one - no stardom here) with a significant body of work, highly regarded by reviewers over the years. I am also a qualified teacher, having worked casually in schools and now in a tertiary institution. I have concurrently also had several jobs running: assessor, Victorian VCE, ACER and Baccalaureate marking, hospitality worker at Melbourne Town Hall, the MCG over about 14 years, after-care and vacation care work with the City of Yarra. I have worked a lot, as the sole income earner in a family in which my wife took full-time care of our children. Note that I worked 5 years beyond retirement age. I am also working on my fourth post-graduate degree. I believe I have contributed much to our nation in my own way. The blocks to the building up of my capital come from the system, not from myself.

I have been very engaged with my superannuation for the last twenty years. Despite this and despite the fact that I received the Pension Work Bonus (now no longer in effect), and was sufficiently aware of its existence to take advantage of what was offered, my savings are in the order of $250,000 of which just over $170,000 is superannuation in a reputable, solid industry fund. I have no other assets. Like most actors and around 30% of the population, I rent. I have longevity in my family and it seems that although I am now, particularly, in a position and have been in a position in recent years to increase my regular, voluntary contributions, which I have been doing for nearly 20 years, I am running up against the stumbling-block of an arbitrary deadline which which will weaken my ability to save and the bottom line. This stumbling-block will be put in my path in four and a half years when I turn 75.

There are several things to note at this point. Firstly, as a result of reading many reports of the state of play of superannuation in Australia, e.g., Challenger, Price Waterhouse Coopers etc., I have seen almost no reference to renters when it comes to the various estimated (and wildly varying) amounts required for so-called 'modest' and 'comfortable' incomes in retirement. The usual trope is "a male homeowner aged X earning Y should...". No mention of renters - one person in three in the population. I have seen remarks in other contexts, those of an econo-socio kind which attempt to explain this in terms of a latent thought in the Australian psyche which can be summed up, perhaps crudely, in a response which goes something like "Well, you ought to have owned your own home by now." Well, people's circumstances vary widely (in my case, my father was a gambler and my wife's brother effectively stole her inheritance), just as their ability to save and the amount they can save or potentially save vary widely. There are many others in situations much worse off than me. However, it seems to me that the age cut-offs create a system dis-ability in this regard, and this is a serious matter.

There may also be another assumption at work which has led to neglect of the subject of my complaint, and that is, the unfounded assumption that people aged 70+ - 80+ must be smart, successful people who must be well-off, so let's....... And there it stops or fades away, because there is nothing that follows logically.

I have both a superannuation fund and a pension based account from which I must make compulsory draw-downs. I have in recent years been returning this draw-down to my superfund and then later re-investing, so as to minimise the tax through the pension fund (although the portion returned to the super fund will form part of the capital taxed, for a time, in the superannuation fund). However, once I reach 75 I will not be able to contribute the drawn-down amount to my super fund since the current regulation says I can't contribute voluntarily to my superannuation. I will need to find other avenues of investment, not out of choice. My pension account will be growing slower, flat-lining or declining. Although continuing to work (and therefore contributing to tax), my superannuation account will also likely be slow-growing, flat-lining or (in some years) declining. There are questions of how and when this might affect an income stream product, which I will not go into here.

I would like to make it clear that what I am writing here is not a kind of seeking of financial advice, since that is not the inquiry's role. My main point is the arbitrary and unexplained nature of the cessation points to which I have referred above, and I believe that the Inquiry should commence investigation of this problem if it has not already registered it. I can see no indication of its registration in the Report issuing from the inquiry, and would urge David Murray and his team to include it as a matter of concern.

It is also glaringly obvious that while there is much talk of the necessity and perhaps, for some, the desirability of working longer, there are contradictory structures erected in the system and in suggestions for ages of accessibility, given a higher retirement age. "You won't get it till later, and, by the way, if you want to save more in it, we're going to cut you off in a few years." The structures now appear contradictory because there have been shifts in general population longevity and a skewing in the population profile. Responses to these sorts of things have been too slow.

I would be interested in your response to my thoughts, even more interested to see them get an airing at some point.

I hope my thoughts will be of use to the Inquiry.

Yours sincerely,

Jim Daly