



3 February 2020

Retirement Income Review Secretariat
The Treasury
Langton Crescent
Parkes ACT 2600

By email: retirementincomereview@treasury.gov.au

Dear Retirement Income Review Panel

Retirement Income Review Consultation Paper

The Australian Shareholders' Association (ASA) represents its members to promote and safeguard their interests in the Australian equity capital markets. The ASA is an independent not-for-profit organisation funded by, and operating in the interests of, its members. These are primarily individual and retail investors and self-managed superannuation fund (SMSF) trustees. ASA also represents those investors and shareholders who are not members, but follow the ASA through various means, as our relevance extends to the broader investor community.

ASA is a founding member of The Alliance for a Fairer Retirement System (the Alliance), formed to advocate for the principles of adequacy, sustainability, certainty and fairness in retirement policy, and has participated in/contributed to the Alliance's detailed submission.

In addition to the comments in the Alliance's submission, we wish to emphasise that two of the three pillars of the retirement incomes system rely on a healthy share market.

There are a limited range of asset classes for participants to use to fund their retirement (namely shares, property, fixed interest and alternative investments), and in a low interest rate environment shares offer a better return. Every individual's accumulation and eventual drawdown of superannuation savings is directly or indirectly impacted by the performance and health of the share market.

When compared to either the Aged pension or a defined benefit superannuation scheme, the inherent market and longevity risk reinforces the need for a robust share market in terms of share price performance, income generation and a regulatory regime that protects shareholders.

Furthermore, the importance of financial education and literacy, cannot be overstated.

If you have any questions about this submission, please do not hesitate to contact Fiona Balzer, Policy & Advocacy Manager on (02) 9252 4244.

Yours sincerely

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Australian Shareholders' Association