



# AUSTRALIA

Overall Index Score 72.6

Overall Index Grade B



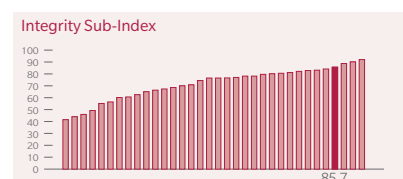
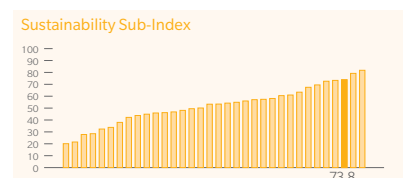
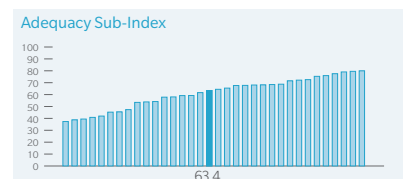
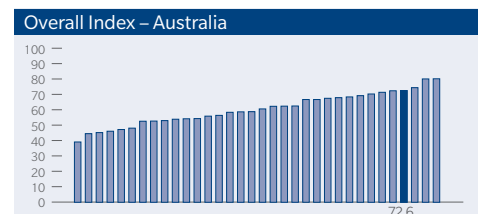
Australia's retirement income system comprises a means-tested age pension (paid from general government revenue); a mandatory employer contribution paid into private sector arrangements (mainly DC plans); and additional voluntary contributions from employers, employees or the self-employed paid into private sector plans.

The overall index value for the Australian system could be increased by:

- moderating the asset test on the means-tested age pension to increase the net replacement rate for average income earners
- raising the level of household saving and reducing the level of household debt
- introducing a requirement that part of the retirement benefit must be taken as an income stream
- increasing the labour force participation rate at older ages as life expectancies rise
- introducing a mechanism to increase the pension age as life expectancy continues to increase

The Australian index value fell significantly from 77.1 in 2017 to 72.6 in 2018 primarily due to a toughening of the assets test resulting in a reduction in the net replacement rate and the inclusion of the level of household debt as part of the adequacy sub-index.

## Comparison to other systems



## OVERALL INDEX HISTORICAL PERFORMANCE

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
74.0	72.9	75.0	75.7	77.8	79.9	79.6	77.9	77.1	72.6

(since country has been included in the MMGPI)

Download the full 2018 Melbourne Mercer Global Pension Index (MMGPI) Report at [www.mercer.com.au/globalpensionindex](http://www.mercer.com.au/globalpensionindex)

