



清华-布鲁金斯公共政策研究中心
BROOKINGS-TSINGHUA CENTER FOR PUBLIC POLICY



人口老龄化与养老金制度研讨会 ——澳大利亚模式的比较与借鉴

时间：2013年5月15日 13:00-16:00

地点：清华大学公共管理学院 302 会议室

王丰： Good afternoon. My name is Wang Feng, I'm a senior fellow and the director of the Brookings -Tsinghua Center. Today we are delighted to host this very special workshop, with three purposes. Before I start, I want to introduce Professor Yang Yansui, who is a professor here at the School of Public Policy and Management. Yang Yansui is also the director of the Aging Research Center here, and she is one of the top national experts here doing pension research and aging research in China. And also here we have other guests, which I will just take a few minutes to highlight.

The three purposes here this afternoon, the first is to welcome Lu Bei to return to Tsinghua University, clearly Tsinghua University has left a deep impression on her, although she didn't know we are located in this building(laughter). But the two substantive, large purposes are first, we want to use this opportunity to hear a presentation on one version of China's social pension fund, and that's the first half hour of our program. And then the other purpose is really to have this opportunity to network between visiting Australian colleagues from CEPAR, this is a nation-wide center in

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Australia on aging societies, and we are delighted to have Professor John Piggott, and his colleagues Lu Bei, Elisabetta Magnani, and also Rafal Chomik , welcome.

Today in addition to Professor Yang Yansui and her research team, graduate students and colleagues, we also have a number of colleagues from other important institutions who all have interests in public aging and pension. We have Wang Guangzhou from China's Academy of Social Sciences. Here, Lei Xiaoyan, from CCER of Peking University, she's a labor economist, I was looking forward to meeting you. And we have Yang Xiaoqi, he's from the National Commission of Aging Research Center. Then we have Professor Xie Chenming, who is the renowned demographer, he's the Secretary General of China Population Association. And we have Professor Hu Jiye, from China University of Political Science and Law, and also an expert on public aging research. And we have an advisor to the center here, one who has very rich government experience in managing pension fund and social security issues, from Dalian, Mr. Chen Yangdong.

Well, we have a bit of a challenge here, which is the language we are going to use. So to be efficient, the presentation, the lecture, will be given in Chinese, I assume that, Lu Bei, your colleagues are familiar with the content the paper and we can test their Chinese (laughter). For the second part of our agenda, conversations on different institutions sharing interests in aging research and pension research, we'll just have to do this in a bilingual way. So people sitting nearby will serve as interpreters, if there is a language difficulty, since we didn't arranged any simultaneous translators and stuff like that. But I'm sure we'll go well.

So without further ado, I think we should give the floor to Doctor Lu Bei, I was very impressed by a presentation I heard back in March, two months ago at Stanford University. And we are delighted to have Lu Bei back, even though she does not know where our building is (laughter). Thank you.

鲁蓓：大家好。今天我主要讲我们正在探讨的关于普惠制的养老金在中国的可行性问题。

做这个论文的动机也是大家很关注的一些问题，首先是中国的人口迅速老化，可能中国人口老化的速度在今后的30年是全世界最快的国家之一，而且我们的人口基数又那么大，所以这个问题肯定引起了相当的重视，中国很多媒体、学界、政府对人口老龄化的问题也是相当重视的。

顺便说一下CEPAR，这是澳大利亚研究人口老化的最核心的学术机构，我们也结合着经济学、社会学、人口学、医疗保障各个学界的专家，包括政府的机构及工业界、银行、保险公司、基金等机构，是一个相当完整的平台来研究老龄化的问题。

第二个动机是我们观察到中国养老金的不公平性，这主要是由碎片化的养老金制度带来的，我们现在讨论的主要是公务员和职工养老保险，但我们认为最大的问题在于刚刚开展的新农保，广大没有感受到养老保险好处的绝大部分人的利益，所以不公平的问题也是将来亟待解决的。

第三是有效的基本养老保障。所谓有效就是指养老金要在一定程度上满足老年人的养老需求，这部分是针对农村人的养老需求来说的。

我的报告主分五个方面：

一、普惠型养老金的概念。

1. 在我们的定义里，普惠型养老金是不需要缴费的，领取年龄等于或高于其他养老金的领取年龄。在不同的国家实施的时候，对领取的人员有些限定，有些国家是只要你是这个国家的公民、到了这个年龄就可以领取，大部分国家有一些收入或财产的测试，像澳大利亚，20%的高收入人群基本上一分钱也拿不到，30%的人能够拿到一部分。

2. 从全世界正在实施普惠型养老金国家的概况来说，澳大利亚现在的领取年龄，男女都是 65 岁。1980 年开始实施的时候也差不多是这个年龄，中间有一些降落，后来又有提高，再过几年会延长到 67 岁，差不多每年只延两个月的退休年，延到 2017 年将延到 67 岁。待遇：如果是一个人居住（未婚或失偶），领取人均 GDP 的 30%，如果是夫妇两人则领取 45%，这里有个测算的比例，如果是夫妇的一般不是乘以 2，而是乘以 66%-67% 的比例。占财政支出的 2.7%，65 岁以上受益人有 75%。

在智利，领取年龄男女都是 65 岁，占人均 GDP 的 16%，这也是比较新的制度，因为他们实施缴费型养老金以后，发现有很多人到退休的时候他的缴费还不足以让他充分养老，所以又加入了这个普惠型养老金制度。财政支出 2.5%，受益人群 40%-60%。看收益的多少，像澳大利亚 25% 的收益人群是从 0 到等额的阶梯状，有一个公式。

在巴西，农村基本上享受这个养老保险，城里要到 67 岁才享受。人均待遇比较高，财政支出比较低，因为相对来说巴西的人均寿命不是很高，女性 76 岁，男性只有 69 岁。

在南非，虽然 65 岁以上的受益人有 85%，但是人均寿命平均只有 60 岁，所以占的财政支出比较有限。

3. 我们为什么要探讨中国要不要引入普惠型养老金制度？主要是人口老龄化使大部分老年人口没有足够的政府提供的公共养老金，基本上都是靠家庭养老或自己的储蓄，现代还有很多人靠他们的房子收入。另外，由于我国的独生子女生育政策，原来的家庭养老体系在衰弱，4、2、1 或 1、2、4、8 的家庭结构使子女照顾老年人更加力不从心，因为一个子女确实不能照顾到那么多老年人。从农村来说，空巢现象非常严重，劳动力都流到大城市，留下的都是一些老人。国家政策也提出了公平性的问题，减少收入的差距。

考虑到家庭养老的时候，我们要想到会不会你给他钱以后，家庭的子女就不给老人钱了？据 2008 年的数据，我们认为真正影响的还是一小部分人。对收入非常少的人，不会影响他对老年人的赡养义务，对收入占人均收入 50%以上的那部分人群，也不会影响他对老人的赡养义务。

4. 从养老金的二次分配来说，肯定会刺激国内的内需。从 1978 年到 2010 年，个人消费呈下降趋势，特别是最近 10 年时间，需要在某种程度上刺激一下内需。谁是获得钱以后最容易花掉的，他的边际效应会比较高。给养老金的这部分人在我们分析的边际效应高的人里，他们对消费的拉动会比较强，钱给他们以后能带动的内需会比较集中。

5. 从国际经验来说，因数据原因，只有有限的行为分析。像南非，学术上的研究主要集中在你给他发了养老金以后，养老金够养活一大家子食物的供应，对劳动力的供应会不会产生负作用？比如年轻人不到外边去工作。还有是他是不是就不储蓄了？他年轻的时候就不会像没有养老金的时候那样关注要存多少钱供养老使用？当然在澳洲和英国对此的研究更加深刻一点。

代际间收入转移的分析。比如领取了公共养老金之后，私人对父母赡养的钱是不是就更少了？我们在数据库中做了一些分析，觉得目前中国还没有到这个地步。

当前学术界更关注有效缴费率，像智利，在 80 年代就全面推开了缴费固定型的养老金制度，每个劳动力工作以后必须要为他的养老保险缴费，但是发现，虽然他建立了账户，却并不是每年都能缴进去钱，缴进去的钱也非常有限，等年龄大了以后，余额非常少，所以还是需要另外一个支柱来保证他基本的生活费，这就保证了缴费密度和缴费覆盖之间的矛盾。

国际学术分析认为，普惠型养老金能够促进内需。在巴西，基础养老金提高适龄儿童入学率，改善国民的营养水平。虽然还有很多学者认为其对劳

动力市场有负面作用，特别是南非做的研究很多，但是最近一篇论文认为，因为调查的时候通常只调查这两个夫妇和他们的直系孩子，如果把大家庭包括进去，普惠型养老金对劳动力市场还是有正面作用的，它使得他的长子更有动力或者机会出去寻找工作，所以它基本上还是一个非常意义的政策。

二、中国养老金制度现状

我们选取最大的两个制度，表面上看基本上是全覆盖，新农保和新城保到去年年底是 4.5 亿左右的覆盖人群，有 1 亿多人领取了基本养老金，虽然每人只有每月 55 元。职工养老保险的扩面也非常快，到 2011 年底覆盖 2.35 亿，有 6300 万退休人员，平均养老金到了人均 GDP 的 50%。

比较一些数据，中国的人均国民生产总值人民币 34560 元；2011 年贫困线为 2300 元；享受低保的老年人口有 2300 万；60 岁以上企业职工退休人员 300 万左右，平均退休金 18372 元；新农保和城保享受退休金人员有 1.24 亿，退休金待遇人民币 660 元，只占贫困线标准的将近 1/3，还是比较低的。

探讨一个制度必须从底层说起，最主要的是我们的老龄化是什么样的结构，我们要进行人口分析。我们做了一个随机模型，这里有很多假设，在座有可能人口学家可能会提出很多意见和批评，我们在此做一个探讨。

1. 根据我们的统计，2000 年-2010 年的平均生育率是 1.55，在我们做模型的时候做了两种假设，如果从现在开始生育率持续下降，到 2060 年下降到 0.9。另外一种假设是放开生育政策，从现在开始到 2060 年上升到 2.2。还有一种假设是现在的生育政策不变、现在的生育结构也不变，继续维持 1.55 的平均生育率。

2. 我们对死亡率做了比较大的假设，基础数据是根据六次普查的人口数据。我们也注意到，如果纯粹地用全国普查数据，算出来的人口寿命现在已经 80 到岁了，还是不太可靠。我们做了一些调整，选用的是农村男女的死亡

率，因为算出来以后最接近统计局公布的男女平均寿命，所以我们借用了农村普查人口的死亡率，并加进了死亡率改善因子，用的是 Lee-Carter 模型。原来我去斯坦福大学讲的时候把 Lee-Carter 的结果线性化，结果 Lee 说你该用随机模型，所以我回去改为随机模型，结果电脑运行了 5 天才出来这个结果。

3. 中国人口预测（2011-2050）

结果非常接近，并没有很大区别。如果是 0.9，到 2060 年差不多是 11 亿人口，如果是 2.2，还能维持在 14.7 亿左右。如果维持现在 1.55 的生育率，我们在图中显示为绿线，中间值上下是不到 13 亿和不到 14.4 亿的区间。联合国预测的数据比我们的总数小，人口结构更好一点。

虽然我们的总人口是在增加，但是绝大部分的增加值是来自于 60 岁以上人口，2030 年增加到 3 亿 7200 万，加的人比总体数更多。19-59 岁人口持续下降，劳动力在下降，赡养比肯定在发生变化，现在是 7:1 的赡养比，如果算 60 岁的话是 5:1，到 2050 年，就是 6 个劳动力要养活 5 个老人，还是相当紧张的。

4. 出生和人口寿命。

根据我们的模型，到 2050 年，女性可以达到 85.5 岁，男性达到 79.4 岁，用随机模型算出来的结果是女性稍微长寿，男女性之间有不到 1 岁的区别。为什么要说 65 岁的预测值呢？现在我们算养老金，最近国际上精算的注意力比较集中在 50 岁以后死亡率的改善，因为最近的 30 年，基本上人口寿命的提高贡献率都是在 50 岁以后的死亡率的改善上。所以如果你到了 65 岁，在 2050 年实际上男性要活到 85 岁左右，女性要活到 88 岁左右，如果你 50 岁退休，还要过平均 38 年才死亡，对国家来说要拿 38 年的养老金。

四、普惠型养老金政策建议

我们建议的覆盖人群是城乡居民，就是现在拿新农保和城居保的这些人，现在的年龄是 60 岁，没有正常养老金。为什么这么说？因为有太多的碎片，有公务员的养老金，也有军队部分的和职工养老金，这些能拿到比较充裕的养老金的人都不包括，我们只包括农村的和城市的没有养老金的居民。

待遇水平有两个，中国普遍的有两个概念，一个是贫困县，一个是最低生活保障。2011 年贫困线标准是 2300 元或人均国民总产值 6.6%，用数个数值推算到所有要拿这个养老金的人群中，成本占 2011 年国民总产值的 0.69%。按低保的标准，农村占人均总值的 5%，城市占差不多 10%。我们测算了一下成本，如果用低保的标准反而更高，要占 0.76%。

所以我们的政策建议是建议用贫困线为标准而不是低保，因为低保的标准使得政府的转移支付更多的倾向于城市，城市相对来说能拿到更多的钱，而农村脱贫的效果不如统一的贫困线标准。

我们在浙江新农保一万份的调查数据得出的结果是，如果用贫困线作标准，差不多 54% 的贫困户可以脱困，但是用低保作标准的话，只有 32% 的贫困户可以脱贫。从这几个方面来说，我们比较倾向于用贫困线作为待遇标准。

调研的时候也问了一个问题：您认为多少养老金够用？一万份的农村居民问卷中有大部分人认为如果有 500 块钱的话，72% 的老年人就觉得有比较舒适的养老生活了。如果把我们建议的每年 2300 元加到他们目前的收入上，可以得出的结论是差不多 70% 左右的农村居民可以有他们认为够用的养老金，达到他们自己心里比较满意的收入。但如果不采用这个养老金基础，四川只有 45% 的人、山东只有 48% 的人认为够用。所以我们认为，如果加大普惠型养老金，会大大地增加农村居民的养老金满意度。

从财政支付能力来说，我们做的人口模型主要是为这个服务的，公式非常简单，我们把所有经济增长的因素都掩盖掉了，将基础的普惠型养老金与

人均国民生产总值挂钩，如果人均国民生产总值提高，百分比不变的话，对支出来说就不用去演算一个宏观模型，就变成比较简单的待遇占人均生产总值乘以人口结构，就是你要拿的待遇的人数比总人数，把这两个相乘，就可以得到 GDP 的总支出。

我们的人口结构会怎么样呢？根据对随机模型三种生育率的假设来说，60 岁以上的人有 32%-45% 的区间，如果用现行的生育政策，中间值应该是 38% 左右。也就是说，到 2050 年，如果 60 岁退休的话，有 38% 的人需要享受基础养老金。如果是 65 岁退休，差不多是 27%-37%。如果按目前的生育政策，中间值是到 32% 左右，降低了差不多 3%。

根据我们现在的测算，能够享受普惠型养老金的人占老龄人口的 76%。按照现行的生育政策，给他们以贫困线为基础的养老金，到 2050 年，占 GDP 从目前的不到 0.7% 会增加到 1.87%，我们认为可以接受的范畴。如果同时扩大待遇，比如提高到人均国民生产总值的 15%，就要占到 4.24% 的支出。如果把年龄提高到 65 岁，比如从现在开始每 3 年或 5 年增加一岁退休年龄，到 2050 年增加到 65 岁的话，同样享受 15% 的人均 GDP 待遇，只需要 3.3%。因为我们的社保在不断扩面，更多的人加入了企业养老保险制度，根据现在的扩面率，如果正常缴费的话，能享受普惠型养老金的人也相应减少，预计到 2050 年左右可以到 50%，如果有 50% 的人需要拿养老保险，即使给他 15% 的人均 GDP 待遇，支出也只占 GDP 的 2.17%。

我们假定一个不太不变的模型，现在还是 65 岁以上老年人口领取退休金，生育率是 1.55，支出占 GDP 的 1.87%。如果是 15% 的人均 GDP，占 3.3%。如果生育率持续下降到 0.9，这也不是不可能的，因为香港好多年都维持在 0.9-1 之间，台湾也比较低，日本相对来说多年来一直在 1.3 年的范围内，所以到 0.9 虽然比较极端，但也不是没有这个可能。如果生育率降低到 0.9

，支出占 GDP 的 1.55%。享受人群如果持续减少，将更好一点，我们的支出将不到 GDP 的 1%。对一个能够让所有老年人老有所养的制度，2050 年这样的支出结构还是可承受和可持续的。

政策实施建议：享受人群是没有正式养老金的人群，我们建议在实施过程中逐步提高享受年龄，到 2050 年左右延长到 65 岁而不是现在的 60 岁。在 20 年内建立起一个比较完善的个人资产信息库，把每个人的房产、银行存款、车辆购置、收入、税收这些基础信息全部放在一个平台下。其实根据我们的理解，这所有的平台中国都有，只是没有联在一个平台下。如果这样的话，可以进行财产收入测试，享受的人群就会大大下降，因为有很多人还是有很多灰色收入的，如果建立这样一个数据库的话，就比较容易识别。同时，这个待遇一定要跟人均 GDP 挂钩。

五、结论和挑战

探讨在中国的这样一个政策，肯定能稍微改善收入不公，减少贫困差距，对老年人有比较积极的作用，对农村老年人和城乡没有收入的老年人有比较充足的老年保障。从我们的测算来说，财政还是可持续的。在未来的 40 年内，基本上波动在 1%-2% 的 GDP 幅度。

有很多人可能会问，现在的新农保怎么办？那么多农村流动劳动力怎么加入？从新农保和新城保的部分来说，我们认为要把国家给的 55 块钱单独拿出来变成一个普惠的养老金制度，缴费部分变成名义账户制度，可以拿去国家社保基金投资，也可以建立一个新的投资基金，使得它的回报能够提高，而不是只有每年固定的银行存款利率。但是在计算名义账户利率的时候，我们建议它要跟城市职工养老保险总体内部回报率相符，因为你还是可以退回去算职工养老保险的内部回报率，任何一个养老金都可以回算你享受的是什么内部回报率。我们建议把这两个回报率挂钩，使收入公平得以体现。

我们建议把所有的信息平台联网，引进比较完善的综合财产和收入测试。John Piggott 一会儿会介绍澳洲的现行政策，澳洲是在收入财产测试方面做得最好的西方国家，使得高收入者不用再享受这么低的养老金，也把钱用给最需要的人。

真正的挑战：我们认为建立这个制度可以建立一个比较好的底层设计，使得大部分没有养老来源的人在人口老龄化的危机下能有一定的养老保障。财政方面的危机来自于目前的职工养老保险，人口的变化会产生巨大的支付压力。现在职工养老保险的平均养老金已经到 GDP 的 54%，高于 50%。按照我们的人口模型来算，即使只有一半的人可以享受这个养老金，替代率不变的话，2050 年光这一部分人的支出就占 GDP 的 10%，相当于一半的财政收入，这是很可怕的。这方面肯定需要改革，怎么改大家将来可以探讨，但我们觉得有了这个平台以后，基础的保障已经有了，改革会更顺利。

谢谢大家。

王丰：十分感谢鲁蓓博士，下面有请 Rafal Chomik 介绍澳大利亚的超级年金和公共服务中联机构。

Rafal Chomik: Sorry, my Chinese is not very good so I will use English (in Chinese). Thank you very much for this opportunity to speak to you, I am very honored. So I want to give you a little introduction to the Australian pension system. John asked me to speak to you about the practical, the implementation side of the Australian pension system. If you were to think of social policy design, you might think of the objectives that you have for the policy. Say, for example, pensions, you might come to poverty reduction and income replacement. You would then have the instrument of that policy, such as different types of pension scheme, perhaps the social pension scheme, and earnings replacement

pension scheme. And then you also have the application of that policy. So it's that last part I will talk to you about today, the practical issues that we have in Australia.

So first, I'll give you a little bit of the background to what the pension system looks like in Australia, then I will talk about the age pension, which is the first pillar in Australia, and then superannuation, the practical issues.

So when we are talking about pension systems, we tend to divide them into different pillars, some of you might be familiar with this framework. This is the OECD way of distinguishing different pillars of the pension system. There is also the World Bank version which has more pillars and they're divided by where the funding comes from. This is in terms of the function. So you can see that the first is the safety net pillar, it's about adequacy and poverty reduction. It can be universal or targeted, means tested. You then have the compulsory saving which is an income replacement pillar. And that can be public or private, you can pay as you go or it's funded. And then you've got voluntary saving which (inaudible).

So just a context, this is the Chinese system, perhaps you could correct me if anything is wrong. So you've got the Chinese urban resident pension and the rural pension, which are classified as the universal type of pension. And then you've got the Chinese urban employee pension, and I classify it into public provision pay as you go. But I understand normally it is part social, it has a social and also an individual account, which are nominally funded but the funding isn't complete. And then there is the Chinese urban enterprise annuity, which we would classify as employment related, voluntary.

So this is what Australia's pension system looks like. There is the adequacy pillar, the targeted means tested pillar, and that's called the Age Pension. Then there is the funded private provision, which is called Australia's Superannuation Guarantee, or for superannuation, just super for short. It is almost like your enterprise annuity but it is

mandatory, and mandatory for everyone. And then there is voluntary savings for the various incentives we have in place to encourage more savings.

So this is to give you the scale of Age Pension. These two charts show the levels of benefits, sorry, the proportion of population by age, which are receiving different types of welfare from the state. So as you get older you might get “student and youth”, allows, in the past, more unemployment benefit that you receive, and then “disability benefit”, you may think people who are above age 65, when retirement starts they get pension. Now, a thing to notice about in this chart is that a very large proportion of Australian population over the age of 65, about 80% on average, is receiving the age pension. So it’s got quite a wide reach because of the first pillar. And that’s to do with the means test which we will talk about in the afternoon.

The scale of the superannuation scheme. So, the overall industry in 2011 was 1.4 trillion Australian dollars. That makes it the fourth largest asset, private asset for pension scheme, in the world, after the U.S., and Japan. And then as a portion of the GDP we are also very large, it’s about 100% currently. I expect it to increase to about 130% by 2035. The biggest fund, I’ve got the numbers here, also one of the other things that’s happening here is the consolidation of the different funds, so the much larger number of the funds, and now the small funds, but have larger accumulations. And you can see the average fund size increasing. The average accumulation funds balance is still relatively low, it’s \$70,000 in 2009, but that’s part of the maturity of the scheme. So it was started in 1992, 3% of salary being contributed, and in 2002, it was 9%. It’s been 9% until now, from July this year, it’s going up again, and as legislation has gone through, it’s going increase to 12%, 12% in the next few years. So this year it’s going to be a 0.25% increase, and it’s going to be a gradual increase over the next few years.

So that’s the scale of the two schemes, but what does it mean for individuals? So combining the two, what this chart shows is the replacement rate you can receive from each of the different types of schemes. On this axis I’ve got the public scheme, what

percentage replacement rate, and these are (inaudible), you receive from the public scheme of the age pension of Australia. And here you've got the private scheme, the compulsory private scheme. And you can see that from superannuation, this is model, so this is someone enrolling into superannuation at age 20, and working on a full career on an average wage. So this is just model. That sort of person would be expected to get about 45% on various assumptions to do with interest rates and returns, about 45% from the super, and then about 18% from the age pension. Now that's a part age pension because of the means test that again I will talk about. The full age pension, the higher amount of replacement rate that they get, if they are going to be receiving the age pension, but because they are receiving some super, they don't get paid for the rate, I'll talk about that. Also, this is what they have done is 2008, so there's various things that have come in place which have made the number a bit higher. So we are looking at about 60% in total, replacement rate. But because the retirement age is going up to 67, the number will increase, and also because since 2008 there has been an increase in the level of the age pension.

So that's little bit about the background. Now I will give you a couple of issues in terms of the practical implementation, the means test, and the delivery agencies used to deliver some of these benefits.

So this is the means test, it has two components, income and assets. On the income side, you get employed earnings and then actual earnings, on (inaudible). Any investment in real estate, the housing people own that they don't live in, and business income, the actual income. And then you've got superannuation, which has an income string component, less the deduction of the capital, which is calculated when you first initiate the scheme. And then there is financial assets, which is the deemed rate of return. So it's not the actual return that you get here, I was trying to avoid people trying to play the system by, for example, dividing what they have paid out. So that's the income we've come through the accounted income, and then there is a free area, so you can have a certain amount of income where it doesn't really matter, and then after that free area there is a 50% taper.

So every dollar that you have in income over that free area, you get 50% less of the age pension (inaudible). So that's the income test. And then we have the asset test. As you add them up, there is significant omission out of the asset, it's an exemption of primary residence, (inaudible). So you get asset test again there's a free area, and there's a reduction which is for every one thousand dollars, you get one dollar fifty reduction (inaudible) of your age pension. And the actual age pension you get is the lower of the two calculations. So that's the means test, that's the way Australia has designed its means test to taper away, when people are better off, they get less. That's the principle.

What does it mean by practice? So this is a projection of what, on the left-hand side in red, is a projection of assets in superannuation that we expect through to 2050. You can see a drop around the time of the Financial Crisis, and then a projected increase. So part of that projection is looking at how levels of assets will impact on people's pension eligibility. So we expect full level of pension, about 50% of people currently get the full rate of pension, 20% get no pension at all, so this is the richest 20%, and then the rest get half pension. So that half pension and full pension add up to the 80% that I showed you in the earlier chart of people over 65. So the idea is that even though the design itself was not for the superannuation to replace the age pension, but as the means test starts working, it means less age pension need to be paid, because these people would be better off with the superannuation as it grows.

So in Australia, I think unlike China, there is a single delivery agency called Centrelink that disburses all welfare benefits. It also acts like a "one-stop shop" for various subjects of government services. The social, family, and employment services, has a very large scale, distributing one third of government budgets, and it does that on behalf of various departments. At first it was designed in 1997, and started working (inaudible) so there would be different people responsible for employment, different people responsible for pension, so someone coming into one of these "shop fronts" would have to deal with different people. But over the years one of the things they have tried to do, is try to merge the services so a person can deal with only one officer, and then get their problem solved.

Now that can become expensive, and one way they have tried to deal with that is to focus on life events. So not necessarily having a single person you always go to, they determine what kind of life events you are going through. So for example, your spouse has passed away or you get married or you are unemployed, or you have a child, and it's around that that they design different kinds of services, and delivery structures that make it efficient as well. One of the other things is that it was devolved from the government, until recently when it was brought back to a department of human services, which is also a department specifically interested in the delivery side of things. So this is the idea of having a principal and agent relationship, where you have policy that's made separately by a government department, and a different department which is business only, on the delivery side of things. And it has a different culture, as a result, and hopefully more efficient, although it's still accountable to ministers, etc. There's also further movement in Australia, so there's been a recent link with Medicare, to create one-stop shops that deal with both social services, pharma services, and as well as medical services in one area.

So that's a little bit of the practical issues in terms of the age pension delivery. And now, a little bit of the superannuation practical issues. We'll talk about choice and defaults, administration costs, governance, and decumulation structures.

So in terms of choice, because in Australia you've got this private company that you can pay 9% by an employer, the story of choice is that it's trying to harness our choice in the markets to reduce costs. So the idea in 2005 was to introduce a way in which people would switch and choose a lower-cost company or a better-performing company, and that way it would create efficiency in the system. But unfortunately that didn't really work very well, for various reasons, so, agents aren't always rational and they are not fully informed, and pensions is a difficult area. So there's actually been a drop in switching rates over the period. So most recently the reforms have involved something called MySuper which is a default product. And this is just a simplified for about 80% of people either don't want to choose or want to choose the simplest product that doesn't have all

the (inaudible) investment choices that the other options have, which means that some people still have the choice, if they want to make the choice, because of the different types of schemes available and different types of pensions available. And there's also a self-managed type of fund where some people and start up their own firm, which is a separate thing altogether. And then there is also MySuper which is a cheap, simple option for people to standardize the cost of various schemes, and also means that it's much more comparable and easier to know how well one is doing with the other (inaudible). There's still a lot of choice in the system so those people who do want to choose what investment schemes they are going into for example, still may need help in being guided, or how the presentation of the information is made. So for example this is an experiment from someone in the Center (John Piggot: Hazel Bateman and her colleagues). So someone from the Center did this experiment where it compared two different ways of talking about the same type of risk, and found that there were different allocations by the people who were being experimented on. So just by changing how you present the information, (inaudible) people making different choices about their investment that they want, which isn't rational and perhaps (inaudible)

There's also been work on trying to modernize the back office of superannuation, so something called SuperStream, is a new system put in place, funded by superannuation funds, and basically using more information technology, using tax file numbers which every employee in Australia has to track people and making sure there's fewer lost funds where people switch jobs and then don't switch the funds to the new employer and then it gets lost somehow. So there's guarantee there's much less of that as a result of the new technology and new ways of identifying people and numbers.

So, in the end, the objective is to lower costs. This is a couple of charts that show you the range of investment expense and operation expense for different types of companies and different types of funds, and by size of firm. I mean the main thing to get from this chart is that there is just very wide variation of cost. And that doesn't necessarily represent better quality or better returns of annuities. So, the government commission, for consultants

to look at what cost would be reasonable and there was single, simple (inaudible) product like MySuper. And this is the character that they come up with, essentially, ranging for large funds from 0.3 to 0.7 percent of fees. So, that's the objective. The other thing to remember is governance, which is very important because if the trustees who run the fund are making decisions affecting the investment levels or not optimizing how they are investing and that could have a big effect on the overall final amount the members have. So, for example, there's been reforms to making sure that the trustees think about after-tax returns for members, which is different to just looking for gross high level of return, you might want to hold capital for certain period within a financial year, which affects the level of overall tax deficiency that you can get. And there's also instruction of the trustee. Governance helps in making sure that there's a level of accountability in the system.

There are still issues with the system, with superannuation. One, a big one is about what to do once you've made (inaudible). And now, while there's a default product for the accumulation stage, there isn't a default product for the decumulation stage. How do you extend the money once you have it? A lump-sum is not always the best option. Some people might be more efficient to pay off debt than necessarily trying to draw an income. But for a lot of people, you want to have a system where you have annuity that protect people from inflation risk, and longevity risk. And the level of sales of annuities you can read from this chart is very low in Australia. There was a spike in 2004 and that was for the real change, which favors annuities but otherwise there are just not many annuities sales in Australia. So, when people accumulate these funds, they tend to take either a lump-sum, and about half of them do that, and another half take withdrawal products. So, they just slowly withdraw the amount of money from their Super. So, that is a quick run-through of the Australian system, and I hope it gives you a little bit of insight. As I said, it's ongoing. It started in 1992, superannuation, age pension started in 1999. But there are still continuous reforms. And I hope I've given you a little bit of flavor of what's happening in Australia, in the Australian system, and some practical issues. Thank you.