



# MAKING THE BEST OF LONGEVITY

Australia needs a National Longevity Strategy

## **Abstract**

Increasing longevity is a major, relentless driver of economic and social change in Australia. A National Longevity Strategy is needed to best inform our response and underpin the delivery of wider longevity education

David Williams  
My Longevity Pty Limited

## Making the Best of Longevity

Increasing longevity is a major and relentless driver of economic and social change in Australia, but there is no overarching national longevity strategy informing the response.

Compulsory superannuation is a core pillar of Australia's retirement income system, along with the age pension, and voluntary savings including home equity. Superannuation should play a larger role in a better managed national longevity strategy.

A current major focus for super funds is to improve the retirement income system. Funds could add more value at minimal cost by promoting a wide understanding of the opportunities and challenges of longevity (beyond the limiting concept of 'retirement') by engaging members and their partners to make the best of their longevity.

This submission takes a holistic approach to increasing longevity and reviews how this should influence all efforts to make the best of the increasing longevity bonus.

### Longevity in Australia

In 1910 a baby was expected to live until 49, now on average it's 83, up nearly 70%. In the same year a 65-year-old would live about 12 years to 77. Today it's 87, an increase of 80%. Over half the 65s today are likely to live beyond 87, most of the time in reasonable health. Over a third are likely to live beyond 90.

Major changes in Australia include the development of a world-class superannuation system, the upgrading of the home equity release program, improvements in health treatments. It has been acknowledged that preventive health action will be much more effective than the current responses and that aged care needs major reform.

However, there is no overarching strategy to address the social challenges and cost. Longevity responses currently take place in separate government departments, with little co-ordination between them. In addition, the older community is largely ignorant of the opportunities to make the best of the rest of their lives. The wider community is even less aware. Successive governments have tended to overlook many warning signs and opportunities in their intergenerational reviews.

### Current failings

1. Superannuation guidelines are changed in isolation and becoming increasingly complex without adequate accounting for changing longevity outcomes.
2. There are few incentives for seniors to remain in work past their 'entitlement' to the age pension, and few employers and unions are prepared for increasing the opportunities and challenges of increasing longevity.
3. Gender-based disparities in superannuation, exacerbated by women living longer with longer dependency periods, have not been adequately addressed.

4. Home equity release by seniors has been improved but without encouragement and guidance to seek more suitable housing consistent with expected longevity.
5. Filling many employment gaps, seniors could reduce the pressure on housing exacerbated by some elements of migration.
6. Retirement is still presented as an 'entitlement'.
7. A coherent strategy for supporting people with disabilities beyond 65 is still unavailable and seems likely to be overwhelmed by the unplanned rise in demand for support at younger ages.
8. The rapidly escalating cost of aged care could be arrested through better preparation of people to achieve a longer healthy lifespan, a shorter period of dependency and lower health care costs,
9. Attention is still focused on medical solutions and new drugs for managing specific illnesses and conditions of later life. There should be more emphasis on preparing people for these possibilities and supporting them in managing their later years more realistically and humanely with a wider range of choices and at much lower cost.

An overarching National Longevity Strategy would provide a valuable and positive context for managing personal and community longevity for the best outcomes.

### **Longevity Awareness and Education**

People are poorly informed about their longevity prospects – as are their advisers. There is adequate research to show a more positive outlook on longevity would achieve benefits for seniors, the wider community and government.

Lack of longevity input to decisions by professionals means they are less able to help people make the best of their later lives. These professionals include:

- Health advisers - GPs, dentists, pharmacists, physiotherapists, and other health professionals
- Financial advisers who provide investment guidance, social security support and tax advice. They pay little attention to individual longevity and its consequences and the importance of including partners, and
- Legal professionals and accountants who provide estate planning including guardianship, powers of attorney, wills and advice on intergenerational wealth transfer.

With a consistent longevity framework for individuals and their partners, informed professionals could better support personal life and health management strategies.

A common ground of personal longevity planning maximises personal and community opportunities for a productive, enjoyable, and dignified future.

A national longevity education program including personal longevity planning should be provided to enable people to frame their own future more confidently.

## Personal Longevity Planning

Personal longevity planning was pioneered in Australia at [www.mylongevity.com.au](http://www.mylongevity.com.au) as a free online service and has been used by over 270,000 people, with ongoing development.

At My Longevity, we define 'my longevity' as 'the rest of my life'.

Personal longevity planning empowers people to manage their longevity, starting with an estimate of how long they may live and why, and then how to make the best of that time.

This involves:

### Identifying

1. Estimating how long we may live using an evidence-based calculator
2. Quantifying potential stages of our longevity – according to the Australian Institute of Health and Welfare
3. Highlighting immediate and longer term issues and identifying possible responses and benefits.

### Action

1. Implementing lifestyle actions immediately, with health professional inputs
2. Reviewing and taking longer-term actions, with professional advice:
  - Who will speak for me when I can't?
  - Who gets what when I die and who doesn't, and why?
  - Activities I could consider, including paid work, volunteering and grandparenting
  - Where will I live?
  - How will I deal with dependency and aged care?
  - How will I deal with end of life?
3. Engaging with family, and
4. Reviewing my plan to maintain relevance by accommodating changes

Personal longevity planning provides people with a holistic view of their future within which key life decisions can be framed and actioned. It is available online and can be simply scaled up as required at little additional cost. Superannuation funds and professional advisers can be trained in its support through their existing relationships and technology. It can be delivered through their existing platforms with no external compliance issues.

## Superannuation Funds

Super funds are well placed to foster and provide personal longevity planning in Australia. They are in regular contact with members but rarely their partners. By providing personal longevity planning online to members and their partners, funds would increase the number of people well-informed to make the best of their longevity and their superannuation.

A collaborative approach with professional advisers to draw on members' longevity planning would strengthen relationships between all parties and reduce the cost of advice without creating liability or compliance issues for trustees or advisers.

## Longevity Institute

Super-sponsored longevity planning under the guidance of a jointly funded longevity institute would provide more support and boost confidence of members in taking informed control of their longevity.

1. Longevity planning would make a substantial addition to critical personal data available to funds to support fund and industry development strategies.
2. Longevity planning would increase trust and engagement between super funds and their members.
3. SMSF trustees, members and the community would benefit from the availability of industry-wide longevity awareness education.

## Better retirement income strategies

1. A longevity planning relationship with members well before major changes would provide the framework for better decisions.
2. Personal longevity planning underpins properly informed decisions about retirement timing, ongoing capability for employment, a longer healthy lifespan and shorter dependency. This would contribute to more confidence in retirement income strategies.
3. Personal longevity planning improves the likelihood of continuing paid work longer and highlights the community benefits from longer healthy lives and personal contributions such as volunteering and grandparenting. Personal longevity planning reduces the fear of dependency and promotes informed product decisions, especially about lifetime income products.

In summary, industry-standardised longevity planning should be made widely available from a central Longevity Institute, financed by the superannuation industry and government, providing consistent education and support to people as well as their financial advisers, retirement coaches, health providers and others.

## National Longevity Strategy

A national longevity strategy would better co-ordinate all responses to longevity and influence personal longevity planning, more innovative product design and marketing.

Development of a national longevity strategy requires the commitment of state and federal government departments, superannuation funds, health and financial advisers, the health professions and academia.

Their inputs should be properly co-ordinated to create and maintain a national strategy. This then informs the consistent delivery of personal longevity planning through the establishment of an independent longevity institute.

Increasing longevity is not just an Australian phenomenon. A national longevity institute would promote Australia's capabilities more widely and also seek and adapt evidence-based best practice solutions world-wide.

## About My Longevity

Longevity planning as provided by My Longevity is available at [www.mylongevity.com.au](http://www.mylongevity.com.au)

David Williams is a scientist and gerontologist who founded My Longevity in 2008 following leadership roles in major financial planning institutions, during which he received a Distinguished Service Award from the profession. He chaired the Standards Australia committee for ISO Personal Financial Planning Standard ISO 22222: Personal Financial Planning. He regularly presents and comments on the evolution and value of personal longevity planning.

David Williams  
BSc, Dip FP, SIA (Aff), FAICD  
CEO and Founder  
My Longevity Pty Limited  
[david@mylongevity.com.au](mailto:david@mylongevity.com.au)  
[www.mylongevity.com.au](http://www.mylongevity.com.au)

3 April 2024