Actuaries Institute: Government's Intergenerational Report Makes the Case for Sustained Reform

21 SEPTEMBER 2026

The Actuaries Institute welcomes the release today of the Government's Intergenerational Report (IGR) and provides the following comment.

Attribute the following quotes to Actuaries Institute CEO, Elayne Grace:

"The Intergenerational Report highlights the scale of growing pressures on intergenerational equity over coming decades. It makes clear continued improved standards of living from one generation to the next depend on governments being committed to ongoing reforms."

"Housing, tax, climate, energy transition and AI, all spotlighted in the Intergenerational Report, are not separate conversations. They compound on each other, and across generations. A young Australian locked out of home ownership faces a tax system tilted towards existing assets, rising climate costs and a labour market being reshaped by AI. The Institute has examined each of these pressures and will keep building the evidence base so they can be tackled together."

Intergenerational Equity

Attribute the following quotes to Dr Hugh Miller, Actuaries Institute member

The Institute's Australian Actuaries Intergenerational Equity Index (AAIEI), reported in *Cracking the Unsolved Generational Equation*, tracks 25 indicators across six domains, from housing and health to the economy and environment, across three key age groups, looking back to 2000. This makes it a useful complement to the forward-looking IGR.

It shows over the past two years alone, 65-74 year olds (the oldest group tracked) gained an average of $375,000 in household wealth, more than three times the $98,000 gained by 25-34 year olds (the youngest group tracked). The index shows the overall gap could return to record levels within years.

"The intergenerational reports are important, since they provide an opportunity to think through the long-term consequences of our current policy settings. We welcome the report's deeper discussion of issues such as climate and housing because they are critical to wealth and wellbeing – as reflected in our index."

"Improving the long-term wealth and wellbeing of Australians means thinking through the needs of each generation. The data clearly show real household wealth has grown unevenly and the cost of net government debt to future generations needs careful consideration. Mental health, housing, climate and the environment also all remain areas requiring attention."

The Tax and Transfer System and Housing

Attribute the following quotes to Dr Hugh Miller, Actuaries Institute member

The Institute's *Spotlight on the Australian Tax and Transfer System* found government spending follows a U-shaped pattern by age, taxation peaks for working-age Australians, and two people on the same $100,000 gross income can end up with net incomes differing by more than $42,000 depending on age once a broad view of tax, government spending and transfers are accounted for. Some of that difference reflects genuine need, particularly higher healthcare spending for older Australians, but a significant part reflects differences in eligibility for benefits and taxation settings.

"Our work shows that there have been limited real income gains for younger people over a decade, and on a per capita basis tax and transfer settings are geared towards supporting older Australians. As the IGR shows, wealth accumulation has been strong for people with existing assets and more older people are working longer. Continuing to evolve our tax and transfer system is important, particularly when applying a long-term lens."

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"The Institute's intergenerational work shows we still have some factors in our favour. Our population is still relatively young, we have a targeted welfare system and a world-class superannuation system. All of these mean our fiscal future is better than many other advanced economies. These are not by accident, but continued work on policy will be needed over the coming decade.

"Housing remains a key community concern, with clear intergenerational implications. Lower ownership rates for people aged 25-44 has implications for equity and wealth. And there remain opportunities to support renters better through further improved design of government policy, given how expensive the market is."

Climate, Adaptation and Resilience

Attribute the following quotes to Dr Ramona Meyricke, Chair of the Actuaries Institute's Climate and Sustainability Practice Committee and Actuaries Institute member

The Institute welcomes the continued commitment to an ambitious and orderly energy transition with an increased focus on adaptation and resilience.

"The Intergenerational Report recognises that climate impacts will impose increasing fiscal, economic and social costs over coming decades, and that a disorderly global transition would increase economic costs for Australia.

Importantly, Treasury notes that its modelling is based on only four physical damage channels selected based on available data and analytical methods, and is not a comprehensive assessment of the climate risks identified in the National Climate Risk Assessment. Treasury notes that more comprehensive global assessments have found significantly larger economic impacts from climate change.

The Intergenerational Report further recognises that rising disaster costs will place increasing pressure on public finances, including through disaster recovery expenditure and impacts on insurance affordability. Investment in disaster risk reduction, resilience and adaptation will therefore play an increasingly important role in reducing future losses."

"The Institute's *Mobilising Investment for Climate Adaptation* report highlights that managing these long-term climate risks will require a step change in adaptation investment, supported by better investment frameworks, stronger public-private collaboration and a clearer national strategy for resilience."

Artificial Intelligence

Attribute the following quotes to Victor Bajanov, Actuaries Institute member

"The Intergenerational Report acknowledges AI can create new risks and amplifies existing risks.

The Institute's *AI Risk Management in the Financial Services Sector* practical guidance, developed with UTS Human Technology Institute, found governance and risk management practices have not kept pace with AI adoption across the sector. Diffusion and adoption of AI will be essential to economic growth in the coming decade – it is important that Australia creates the environment where businesses that are keen to responsibly integrate AI can thrive. This doesn't just mean managing AI risk, although that is critical; it requires all types of friction in AI adoption to be very carefully and deliberately considered, including data sovereignty, its economic and social cost, and education.

"Managing the risk of AI adoption robustly means going back to first principles. Some risks are easy for an individual organisation to manage once identified, and others need to be handled at a system level by Government and industry bodies working together."

Superannuation

Attribute the following quotes to Tim Jenkins, Chair of the Actuaries Institute's Superannuation and Investments Committee, and Actuaries Institute member

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The IGR confirms the demographic pressures Australia faces over the next 40 years. Our fertility rate of 1.44, already well below the population replacement rate of 2.1, is predicted to fall further to 1.34, whilst we are expected to live longer with increased life expectancy of 3.5 years for women and 4 years for men. This leads to a smaller working age population supporting those in retirement phase. However, given the interaction of our world-class superannuation system with our means tested age pension, the total cost of the retirement income system remains sustainable, only increasing from 4.0% of GDP to 4.5% of GDP. This is in stark contrast to many countries, where similar demographic shifts will place great pressure on their retirement systems.

"With the IGR finding that the median super balance in the year before death was $76,000 and a quarter of balances exceeded $250,000, we can expect a continued focus on supporting Australians confidently draw down their super in retirement as our retirement income system matures."

Notes to editors:

The Actuaries Institute participated in conversations with the Treasury IGR Taskforce, reflecting the wide range of areas in which the Institute has contributed to public policy.

For further information on the above topics, please refer to:

Australian Actuaries Intergenerational Equity Index: Cracking the Unsolved Generational Equation – April 2026

Spotlight on the Australian Tax and Transfer System – June 2026

Mobilising Investment for Climate Adaptation – November 2025

AI Risk Management in the Financial Services Sector – September 2026

Where Are Australia's Data Science Leaders? The Case for Technical Career Pathways – October 2025

Building Tomorrow: Preparing Australia for the Age of AI – May 2025

Public Policy Statement: Australia's Retirement Income System – October 2025

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About the Actuaries Institute and the Profession
As the peak professional body for actuaries in Australia, the Actuaries Institute represents the profession to government, business and the community. Our members work in a wide range of fields including insurance, superannuation and retirement incomes, enterprise risk management, data analytics and AI, climate change and sustainability, and government services.

Actuaries use data for good by harnessing the evidence to navigate into the future and make a positive impact. They think deeply about the issue at hand, whether it's advising on commercial strategy, influencing policy, or designing new products. Actuaries are adept at balancing interests of stakeholders, clients and communities. They're called upon to give insight on complex problems and they'll look at the full picture. Actuaries analyse the data and model scenarios to form robust and outcome-centred advice.

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