

Australia



Self-Employment in Australia

The self-employed in Australia take more responsibility for making sure that they will have sufficient income in retirement (86 percent compared to the global average 75 percent) and they also express more awareness of the need to plan financially for their retirement (82 percent compared to the global average 72 percent). Australia supports retirement planning among the self-employed in a number of ways: not only are they eligible to make contributions to the Superannuation fund, but they may be able to make tax deductions against those contributions. They may be eligible for the low income Super contribution worth \$500 for those earning less than \$37,000 annually.¹ Despite the fact that the Australian Securities and Investments Commission has advised the self-employed to build a pool of retirement savings rather than relying on selling their business to fund retirement², almost a quarter of self-employment had no Superannuation at all in 2012 according to the Australian Super Funds Association (ASFA). Indeed, just 37 percent of the Australian self-employed always make sure that they are saving for retirement which is 3 percentage points higher than the global average (34 percent).

Key country indicators



10.3%³ of workers are self-employed



63%⁴ of self-employed are men



65 years official retirement age (when full entitlements are payable)

Profile of Australian self-employed



\$37.5k median personal income



88% cite positive reasons for becoming self-employed



76% are sole-proprietors



22% will sell their business to prepare for retirement

What attitudes and expectations do the self-employed hold toward retirement?



Confident you will be able to fully retire with a lifestyle you consider comfortable

Australia: 28% **Global: 26%**



Proportion that expect to retire at over 65 (includes never)

Australia: 41% **Global: 40%**



Envision a flexible transition to retirement

Australia: 76% **Global: 69%**

How are the self-employed planning and saving for retirement?



Habitual savers

Australia: 37% **Global: 34%**



Have a written retirement strategy

Australia: 15% **Global: 13%**



Have a backup plan

Australia: 35% **Global: 38%**

This country profile is part of the report “Retirement Preparations in a New Age of Self-Employment” and contains research findings from the fifth annual Aegon Retirement Readiness Survey. To read the full report and view videos and infographics, please visit: aegon.com/Self-Employed

Sources:

¹ <https://www.ato.gov.au/Individuals/Super/Getting-started/Self-employed/>

² <https://www.moneysmart.gov.au/life-events-and-you/self-employed-people>

³ [OECD Self Employment rate \(2015\)](#)

⁴ [OECD Self-Employment, proportion male \(2015\)](#)

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