Position statement
Compassionate release of superannuation

HCQ Position

Health Consumers Queensland (HCQ) recognises that there may be critical or necessary circumstances where a person may need to access their superannuation early on compassionate grounds. Early release of superannuation should always be an **option of last resort** and only after independent and qualified financial advice or counselling is obtained.

Conflict(s) of interest (COI) that may be present within clinics must be identified to any health consumer during their appointment. The removal of any real or perceived COI protects a patient's best interest and is a critical step to ensuring superannuation is not seen as a default payment mechanism which risks financial security and comfort in retirement.

Consistent with HCQ's Vision of equity, access must be supported by contemporary funding models that reflect the complexities of delivering healthcare in Australia. MBS indexation must be commensurate with current need and genuinely reduce out of pocket costs.

Superannuation policies affecting compassionate release options must consider the current funding disconnect that continues to place unnecessary pressure on health systems.

Background

On the 30th May 2025 the Australian Health Practitioner Regulation Agency (Ahpra) alongside both the Medical and Dental Boards of Australia released a joint statement raising their collective concerns about the increasing rate in which superannuation was being access by health consumers on 'compassionate grounds'.

Consequently, on the 16th October 2025 the ATO and Ahpra released a joint statement announcing their significant concerns for the growth in applications for compassionate release of superannuation (Ahpra, 2025) with data indicating these figures had 'more than doubled' since 2023 (particularly for dental services). Other areas referenced in the statement include cosmetic surgery, in-vitro fertilisation (IVF) and weight loss surgery.

Evidence

Current evidence suggests that younger people have a poor understanding of what superannuation is, its benefits, preservation principles and how to engage with their fund or investment options (ASIC, 2024). This is concerning given superannuation is one of the most tax-effective wealth strategies younger people will access across their whole working lives – a position generations before them were not in.

Despite this, there is a willingness from younger people to be more active in their financial security, but the competing pressures of cost of living, housing and debt mitigation often ignore superannuation considerations (ASIC, 2021; ASIC, 2024).

Whilst early release of superannuation has been available across a variety of circumstances (including limited compassion or hardship grounds), further refinement of the access rules in 2018 was intended to preserve and balance relevant safety nets (Aust. Govt, 2018).

Despite these changes, recent reporting (2024-25) indicates that applications for compassionate release exceeded 110,000 (Davey, 2025) with 30% of these denied at time of application (Payne, 2025). Of the successful applications, approximately $1.4billion was withdrawn from superannuation

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accounts on compassionate grounds most of which funded medical and/or dental procedures (Edmonds, et al., 2025).

For health consumers wishing to know more about the ATO's process for accessing superannuation on compassionate grounds, their website lists eligibility criteria, evidentiary thresholds and who to contact prior to making an application.

For health practitioners assisting health consumers to apply for early release of superannuation on compassionate grounds, the ATO provides guidance and further information on their website.

Preservation Principle

Health Consumers Queensland (HCQ) **takes the view** that superannuation is the most important safety net many workers will have when they commence their retirement.

Savings achieved over a person's working life is intended to provide a level of comfort and security either on its own, in addition to the aged pension or any other scheme a person enters that will support their needs once they cease work.

HCQ supports the principles of preservation inherent in superannuation schemes and the real value of compulsory superannuation within the Australian retirement and employment landscape.

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