



Media Release

Wednesday, 9 May 2007

GESB WELCOMES COMMONWEALTH BUDGET SUPERANNUATION CO-CONTRIBUTION BONANZA

GESB, manager of the largest WA-based superannuation fund, welcomed the one-off doubling of the Commonwealth Government's superannuation co-contribution scheme to boost superannuation for low to middle income earners.

GESB Chief Executive Officer Michele Dolin estimated more than 200,000 Western Australians would share in \$260m in co-contributions under this initiative. This included some 20,000 GESB members who would share in \$26m in payments.

"The one-off doubling of the superannuation co-contribution scheme means an eligible person who contributed \$1,000 in 2005-06 will receive a co-contribution of \$3,000 from the Commonwealth Government for that year," said Ms Dolin.

The co-contribution initiative will extend the current scheme, available to those earning up to \$58,000 with a one-off payment of up to \$1,500 to those who made a personal after-tax contribution to their superannuation fund in the 2005-06 financial year.

"To further boost their superannuation I would strongly encourage people to invest their tax cut into their superannuation fund. For those earning \$30,000, the tax cut will be \$21 per week.

"Investing \$20 a week, or roughly \$1000 a year, can give people an extra \$281,000 in retirement. For many, that's an extra eight years of income in retirement.

"And as a further benefit this small amount invested each week means eligible people will then qualify for the co-contribution next year as well.

"By making personal contributions to your super it's possible to make a significant difference to the amount you have when you retire", Ms Dolin said.

"When you're in your 20's, 30's and 40's retirement may seem a long time off and your focus may be on other things such as family, travel, career development and mortgage re-payments.

"But when you are ready for retirement you want your super to be ready too. As a rule of thumb, most Australians in retirement will want at least between 50% and 70% of their pre-retirement income," said Ms Dolin.

Based on certain assumptions, if these assumptions change results may differ.

-ENDS-

Media Contact

Lucy Henry
Tel: 08-9263 4377
Mob: 0421 585 576
Email: lhenry@gesb.wa.gov.au

About GESB (May07)

GESB manages the largest superannuation fund based in Western Australia and is a significant national player. It manages superannuation on behalf of 25% of Western Australia's workforce and with a 69 year track record, GESB has unrivalled experience in superannuation in Western Australia.

It is a member based organisation that manages the superannuation of current and former WA Public Sector employees and their partners. GESB has over 275,000 members and a growing investment portfolio of over \$8.3 billion.

GESB's primary purpose is to improve the long-term financial security of its members. The organisation offers a choice of competitive superannuation and retirement products, sound investment returns, low fees and excellent member services.

For further information visit www.gesb.wa.gov.au