



Media Release

1 December 2009

GESB FINDS RAISING THE PENSION AGE IS THE LAST RESORT

National research commissioned by GESB, the largest WA-based super provider, has found that Australians think raising the pension age should be the government's last resort in funding retirement for our ageing population.

GESB found that only one in 25 (4%) Australians believe that the age at which people are eligible to receive the pension should be raised in order to help fund the retirement of the ageing population.

Australian Bureau of Statistics (ABS) projections show that, as a result of sustained low birth rates and increasing life expectancy, one in four (25%) Australians will be over the age of 65 by 2056, up from one in eight (13%)¹.

GESB's research indicates that one quarter (27%) of Australians think that the government should increase employer contributions from 9 per cent to 12 per cent in order to fund the retirement of the ageing population.

However, many Australians also understand that they must take personal responsibility. The research indicates that one in five (22%) say that mandatory private saving from their salary should be introduced to supplement their super.

GESB's research reveals that the third most popular response (19%) was for the government to ease the income test for the co-contributions scheme in order to encourage more people to top up their super.

¹ Population Projections (Series C), Australia, September 2009, Australian Bureau of Statistics

Michele Dolin, Chief Executive Officer, GESB, said, “The ageing of our population will increasingly present a retirement funding challenge.

“The OECD recently revealed that one in four Australian seniors live in poverty by international benchmark measures – the fourth highest rate amongst OECD countries – while population projections show that the proportion of working Australians is likely to reduce by 10% by 2021, placing an even greater burden on the system.²

“A variety of responses will need to be developed in order to support Australians to plan and save effectively to generate income streams that will provide for longer life spans.”

Ends

Media enquiries to:

Wendy Franklin
GESB
Phone: 08 9263 4598
Mobile: 0402 326 778
Email: wendy.franklin@gesb.com.au

Notes to editors:

1. GESB’s findings were based on a survey of 1,200 people, which was weighted to be nationally representative of Australia’s population by gender, age and location. The research was conducted by TNS on behalf of GESB in October 2009.

HOW AUSTRALIANS THINK THE GOVERNMENT SHOULD RESPOND TO FUNDING RETIREMENT FOR AN AGEING POPULATION

PREFERRED RESPONSE	RANKING	PERCENTAGE (%)
Increase employer contributions to super from 9% to 12%	1	27
Introduce mandatory savings from salary to supplement super	2	22
Ease the income tests for government co-contributions scheme	3	19
Don’t change anything – what’s already in place is sufficient	4	17
Introduce a requirement for individuals to put an extra 1% into super each time they receive a wage increase or start a new job – up to a 3% maximum	5	11
Raise the age at which people are eligible to receive a pension – e.g. from 65 to 70	6	4

Source: GESB

² Population Projections (Series C), Australia, September 2009, Australian Bureau of Statistics

POPULATION PROJECTIONS, SERIES C

YEAR	POPULATION OVER 65 (%)	POPULATION UNDER 15 (%)	WORKING AGE POPULATION (%)
2007	13	19	68
2021	28	14	58
2056	25	15	60

Source: Australian Bureau of Statistics, September 2008

2. About GESB

GESB is the largest WA-based super provider with more than 312,000 members, representing nearly one quarter of the WA workforce, and over \$9.6 billion funds under management.

With more than 70-years of superannuation experience, GESB is ideally situated to provide members with a choice of superannuation, retirement and financial planning products and services and insurance coverage through your super, combined with competitive fees and a wide range of free member education, information and resources.

For further information visit gesb.com.au .

3. Industry ratings and awards

SuperRatings awarded GESB Super, West State Super and Retirement Income Allocated Pension its highest Platinum rating in 2009. This is granted to only the top 15% of the best 'value for money' funds, based on an assessment of investment returns, investment methodology, fees, administration and advisory services, as well as a robust, secure and proven governance framework.

Chant West awarded GESB Super, West State Super and Retirement Income Allocated Pension its highest rating in 2009, Five Apples, following an assessment of organisational strengths, investments, fees, insurance, administration, member services and employer services.

The Heron Partnership has also awarded GESB its highest rating in 2009, 5 Quality Stars, granted to only the top 25% of super products, based on an assessment of investment arrangements, insurance, ancillary benefits, communications and contributions.