



Media Release

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SUPER PROVIDERS MUST CATER FOR BOOMERS AS THEY REDEFINE RETIREMENT SAYS GESB

Superannuation providers will need to improve their member education and advice services if they are to capture the baby boomer market opportunity, according to GESB General Manager of Wealth Management, Fabian Ross.

Speaking at the Asset Allocation Summit in Sydney today, Mr Ross said the looming retirement bubble, as baby boomers start to retire in large numbers, represented both an opportunity and a challenge for Australian superannuation providers.

“Baby boomers have changed every life stage they have passed through and retirement will be no exception,” said Mr Ross.

“Our challenge as an industry is to provide relevant products and services that cater to their evolving needs, such as different appetites for risk and longer life spans, without bamboozling them with choice.

“The recent Intergenerational Report found that the number of Australians aged 65 and over is set to increase to nearly 20 per cent of the population by 2030¹.

“At the same time, research shows that 60 per cent of retirement income actually comes from investment returns generated during retirement².

“This will result in a much larger pool of members needing advice on and access to the most appropriate investment selections for them all the way through retirement, ensuring they can maximise their returns.

“In a highly competitive investment market, super providers will need to engage with their members to minimise early exits and maximise the opportunity to build their funds under management.

¹ Intergenerational Report, Commonwealth of Australia, 2010

² The Russell 10/30/60 Retirement Rule, Russell Investments

Mr Ross said that providers that can get the right balance between offering relevant advice and products at a suitable price will be much better placed to retain the funds under management critical to maintaining scale in the face of increasing payments to older Australians.

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Notes to editors:

1. About GESB

GESB is the largest WA-based super provider with more than 313,000 members, representing nearly one quarter of the WA workforce, and around \$10.0 billion funds under management.

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

For further information visit gesb.com.au .

2. Industry ratings and awards

SuperRatings awarded GESB Super, West State Super and Retirement Income Allocated Pension its highest Platinum rating in 2010. 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 2010, 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 2010, 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.