

Media Release

Tasplan is Tasmania's largest multi-industry super fund with over 90,000 members, 8000 participating employers and \$500 million of funds under management.

9% Super Is Not Enough!

A call for an increase in superannuation contributions as a trade off for lower pay rises brings into sharp focus the need for a further review of the Federal Government's retirement and incomes strategy according to Tasmania's largest multi-industry super fund.

Speaking on the eve of a meeting of the Tasplan Super Board, General Manager, Neil Cassidy said the trade union movement, through ACTU Secretary Greg Combet, was right to question the adequacy of current levels of superannuation.

“ I don't want to buy into the debate about who should be making the extra contributions – employee, employer or the government – but I do believe that if super contributions are left at 9 per cent, the retirement aspirations of many Australians may not be met.”

Mr.Cassidy said that recent surveys showed that over 70 per cent of Australians feel they will need more than \$30,000 per annum in retirement to achieve a comfortable lifestyle.

“The reality is that under the Super Guarantee, which is currently capped at 9 per cent of earnings, the average worker who has saved for 40 years will receive an annual figure closer to \$20,000 (including a part government age pension).”

“A proposed increase in the Government's Co-contribution scheme to 150 per cent of personal contributions (capped at \$1500) is an indication that the Federal Government at last realises the urgent need to improve national savings.” Mr.Cassidy said.

Mr Cassidy said it may not be coincidence that the call by the ACTU for an increase in the employer contribution comes hot on the heels of a landmark deal between construction unions and employers in Queensland.

Employers in that Queensland industry have agreed to contribute an additional 3 per cent along with a matching 3 per cent contributed by employees.

News of this deal comes at the same time as the results of a Newspoll survey showing that 73 per cent of people would make a personal superannuation contribution if matched by their employer or the government.

According to Mr.Cassidy, the Government would do well to capitalise on this community sentiment by moving quickly to implement arrangements which provide an incentive for Australians to make additional contributions to their super.