



FIRST STATE SUPER MEMBER SURVEY Quantitative Research Survey on financial planning

Methodology and demographics

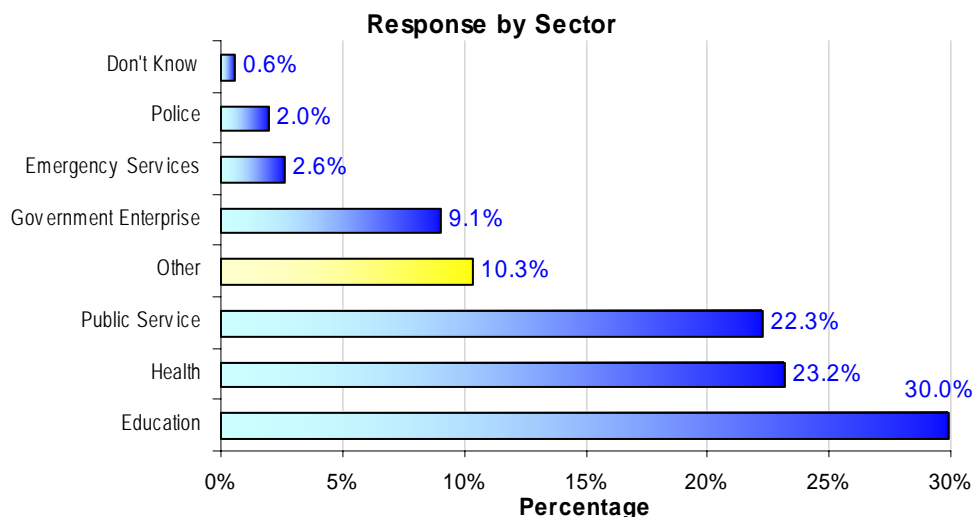
First State Super commissioned EMC/Auspoll to undertake a quantitative survey of First State Super members to gain an understanding of members needs in relation to finances generally, and evaluate the type of financial services expected by members.

The research was designed to canvas the views of members across all demographic profiles, including age, gender, industry sector and First State Super account balances.

A total of 11,805 members were surveyed in September 2006, the majority via an online survey, with a small number of mail surveys also completed.

First State Super members are drawn from a number of sectors, including:

- Police
- Emergency Services
- Education
- Health service
- Government enterprise
- Public Service



Over 58% of the respondents had been members of First State Super for more than 5 years. The membership is relatively affluent, with just under 30% owning their own home outright, with almost 46% having a mortgage. Nearly 40% had assets in property other than the family home, and almost 37% stated that they had assets in shares.



Among the key findings from the research were:

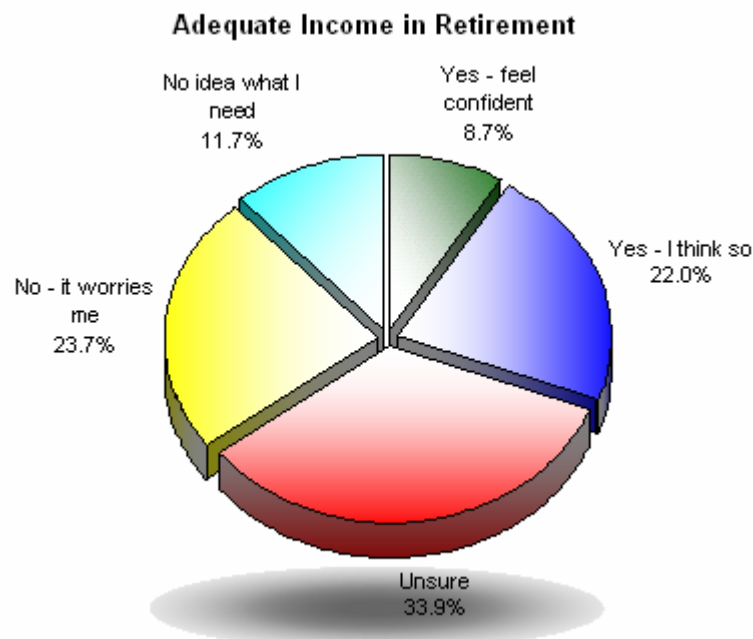
- only a third of respondents felt they would have enough income in retirement, and had prepared and planned their finances accordingly. These tended to be married, divorced or widowed individuals aged over 45.
- The majority of respondents (up to 65%) were unsure of what retirement income they needed, and had barely planned financially for retirement – 45% were described as very vague, and 20% had not even thought about their retirement.
- Almost 30% said that they planned to move to part-time work before retiring.
- Generally, the focus of retirement plans was in relaxation and social interests, with most participants intending to travel or pursue hobbies.

"I am 51 years of age and have left it far too late to prepare for retirement and I am very disappointed. I never took an interest until the last year or two."

Will I have an adequate retirement income?

Almost one third of those surveyed believed that they would have enough income from superannuation to live a comfortable lifestyle in retirement. These respondents were generally aged over 55.

A further one third of respondents were unsure, 11.7% had no idea what they needed and a further 23.7% were concerned that they wouldn't have enough income from their super. These respondents tended to be under 40 years of age.



"I'm getting quite worried that I won't be able to retire at 60 because I just don't have enough super."

"I need to win Lotto, and now would be good"



Financial concerns

The dominant issue among respondents was whether they would have adequate income to sustain a comfortable lifestyle in retirement.

Three other important financial issues were:

1. determining the amount of super needed for retirement (46.3%)
2. choosing an appropriate investment strategy (43%)
3. selecting investments other than super (35.4%)

The respondents also regarded achieving good or high returns from super, taxation, and new regulation and rules, as important issues.

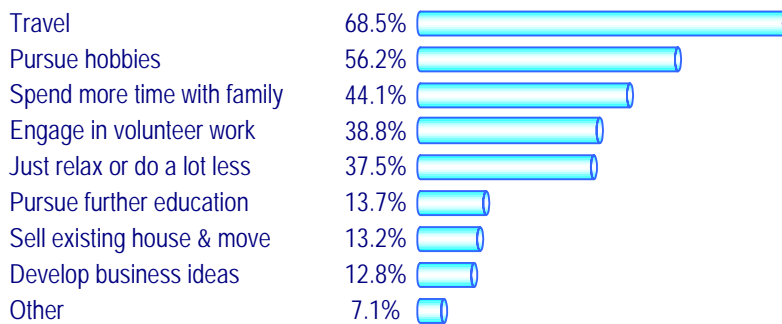
“My major concern at this stage is that I was told that I am not making enough contributions to support the lifestyle that I want for my retirement. I want to do something about it but I don’t know what and how.”

What are you planning to do in your retirement?

Travel in retirement was the most popular plan across all demographic profiles. Just under 69% of respondents planned to travel in their retirement.

Just over 56% said they would pursue hobbies in retirement, while 44% looked forward to spending more time with their family. Taking up volunteer work was also a popular plan (38.8%), particularly among women who were tertiary educated and owned their own home.

Retirement Plans





Transition to retirement

While a slight majority (36.9%) of respondents said that they were ‘not sure’ about the transition from work to retirement, just under 30% stated that they would move to part-time work before retiring. A further 15.1% said that they would salary sacrifice their pay into super, with 5.3% planning to make extra after tax contributions into their superannuation.

“I am 51 years old and will be looking very keenly at my future financial situation to determine when I will be able to retire. I plan to remain fit and healthy so I can work full-time to between 57 – 60 and say, part time to 60 – 65 depending on health and lifestyle.”

“I pay superannuation and have not thought much about retirement. I am hoping to continue to work as long as I can, even if it’s part time work.”

“I have already taken the first steps as outlined in my plan. Am now working part-time only and consider myself semi-retired.”

Transitioning into Retirement



Perhaps the last word should go to one of the respondents –

“Well I wasn’t going to do this survey!.....now I’m worried that I have been ignoring my super too long!”

Important note: This communication contains general information only and does not take into account your specific objectives, financial situation or needs. It is therefore important, before deciding whether to become a member of First State Super (or, if you are already a member, to continue your membership) that you consider the First State Super Product Disclosure Statement (PDS) having regard to your own situation. The PDS is available by visiting our website or by calling us. The information contained in this document is current as at September 2007. Prepared by FSS Trustee Corporation ACN 118 202 672, AFSL 293340, RSE L0002127, the trustee of First State Superannuation Scheme RSE R1005134