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MAJOR SUPER FUND FINDS MEMBERS PLANNING TO EASE DOWN THEN TAKE OFF IN RETIREMENT

In a major study of its members' retirement intentions, First State Super, one of Australia's largest super funds, has found that almost a third are planning to ease themselves out of the workforce gradually by working part-time prior to retirement.

And confirming that the great Australian retirement dream is alive and well, the survey also found that the majority of respondents planned to take to the road or the skies once they retire. Travel was the goal of 69% of respondents.

However, despite these fairly firm intentions, only 31% had a clear idea of whether they would have an adequate income in retirement.

The quantitative research carried out for First State Super by Auspoll, was conducted with 12,000 of First State Super's 508,000 members.

"First State Super commissioned this research to help us better understand our members' needs in relation to finances generally, and in particular what type of financial services they might expect from us," said Michael Dwyer, CEO of First State Super.

"One of the most illuminating findings was that a significant proportion of respondents planned to withdraw gradually from the workforce by scaling down to part-time work prior to retirement. This is significant for us considering that about 30 percent of our membership is over the age of 50."

"This gives us a much clearer idea of likely demand for our Transition to Retirement Income Stream (TRIS), which was developed with such people in mind following the introduction of the Federal Government's transition to retirement policy," Mr Dwyer said.

On 1 May 2006 First State Super opened its doors and became a public offer fund that anyone can join. Today it remains the default super fund for NSW Government employees. Its members are drawn from the Education, Health, Public Service, and Government Enterprise sectors. Also included are police and emergency services employees.

"One of the issues that super funds and policy makers still have to address, is helping Australians understand how much they will need to live on in retirement," said Mr Dwyer.

"Although some of our member demographic is relatively affluent – for instance around 77% of the survey respondents had other assets besides super, such as property other than the family home, or shares - our study found that the most important issue for all members, but in particular for those aged 40-55, was to find out how much would be enough to fund their post-working years."

First State Super has 508,000 members and more than \$14.5 billion under management and ranks as one of the 10 largest super funds in Australia.

Further information on the Auspoll Quantitative Research survey for First State Super can be found at www.firststatesuper.com.au

Further information: Michael Dwyer, Chief Executive, First State Super on 02 9238 2504

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.