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CALL FOR COMPULSORY SUPERANNUATION REMAINS HIGH

"The results of the latest SaverPulse research shows that 57% of the population continue to be in favour of some form of compulsory savings scheme", said Vance Arkinstall, Chief Executive of the Investment Savings and Insurance Association.

The key findings of the SaverPulse research for the 4th quarter 1998 conducted by Research Solutions Ltd and FPG Research included:

- The number of people who do not expect that Government will provide them with an adequate retirement income increased to 87% (84% in the June and September quarters).
- 29% of the population (age 18 and over) say they have not (yet) started saving for retirement (unchanged from September).
- The number in favour of some form of compulsory savings remains at a very high 57% level. The number in favour of compulsion has remained at the 57% level reached in the September quarter and up from 53%, 52% and 47% in the previous quarters.

"The majority of the population 87% do not expect to rely on Government provided retirement income. This coupled with the fact that there has been no improvement in the number who have started saving for retirement, suggests that nearly a third of our population are looking to Government to either introduce an acceptable policy that encourages saving or some form of compulsion. It is time to start seriously considering some of the overseas models as answers to this problem", said Mr Arkinstall.

"The research also revealed that 3% of savers feel they are or will be penalised for making their own provisions. It is not clear what is driving this feeling, which first appeared in the September quarter, but it may be a growing awareness that savers at lower marginal tax rates (approx. 600,000) are penalised by current taxation policies", said Mr Arkinstall.

"The investment and savings industry supports the Superannuation 2000 Taskforce which was a major signal from Government that developing a savings policy is a key priority. We hope that all political parties will participate to achieve a multi-party outcome that will stand the test of time", Mr Arkinstall said.

Vance Arkinstall
Chief Executive
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