

MEDIA RELEASE



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FROM: Self-Managed Super Fund Professionals' Association of Australia (SPAA)
SUBJECT: NEW OECD Report argues strong case for Self Funded Superannuation

ABN 67 103 739 617
Level 1 366 King William St
ADELAIDE SA 5000
PO Box 6540
Adelaide SA 5000
T +61 8 8212 5999
F +61 8 8212 5993
E enquiries@spaa.asn.au
W www.spaa.asn.au

For Immediate Release

New OECD Report Backs Strong Case for Self Funded Superannuation

A new OECD report has revealed Australia has the fourth highest poverty rate amongst the OECD countries for seniors and retirees, and argues while the Global Financial Crisis has hit Australian investments hard, the biggest problem is the lack of generosity of the Australian age pension.

CEO of the Self Managed Super Funds Professionals' Association of Australia – Andrea Slattery – says the report vindicates the belief of an increasing number of Australians that providing for their own retirement is becoming more and more crucial.

“SPAA has long argued that Australians who are willing and able to support themselves in their retirement - at their own level - should actively be encouraged to do so and this report shows very clearly why so many Australians are choosing to do just that,” she said.

“The flexibility and level of control inherent in Self Managed Super Funds are two of the main factors why this is now the **largest** section of the superannuation market.”

The OECD Pensions at Glance 2009 Report says more than one in four Australian seniors live in poverty by international standards, more than double the OECD average.

“The government should encourage Australians to work towards self sufficiency so that there is less, not more, reliance on the age pension – especially when it's considered so meagre by International standards” she said.

“The recent reduction in contribution caps and co-contributions in conjunction with maintaining the current SG rate will have long and short term detrimental impacts on funding adequate retirement incomes. The government has indicated that the aim is to have 65% of average weekly earnings at age 65. It seems that this may be further off than ever.”

The Self Managed Super Funds sector is now the largest segment in Australian superannuation at 31.8% of the market or \$330 billion in assets. There are now more than 400,000 SMSF entities.

ENDS.

Contact for interviews:

Andrea Slattery - CEO SPAA
T: (08) 8212 5999 | M: 0417 898 317 | E: ceo@spaa.asn.au

Media Contact:

Leigh McClusky – McClusky & Co PR and Communications
T: (08) 8100 3308 | M: 0411 711 780 | E: leigh@mccluskyco.com.au