



Call for more super as population ages

By COLIN BRINSDEN
in Canberra

TRADE unions and the finance industry are urging the Federal Government to increase the guaranteed superannuation contribution to help ease the financial burden of an ageing population.

Treasurer Wayne Swan released the third Intergenerational Report (IGR3) yesterday, which showed the proportion of Australians aged 65 and over is projected to almost double over the next 40 years.

As of now, there are five working-age people for every person aged 65 and over, but by 2050 this ratio will fall to only 2.7 people.

Supporting a larger population of older people is expected to result in government spending exceeding rev-

enue, as around half of spending will be directed to health, age-related pensions and aged care by 2049/50 — compared with a quarter of spending now.

“The report demonstrates just how critical it is to plan for the future, invest in productivity and participation, maintain fiscal discipline, and deal with dangerous climate change,” Mr Swan said.

He launched a \$43.3 million Productive Ageing Package that will provide support to older Australians who want to stay in the workforce by investing in “quality job training” for mature jobseekers and support mature workers mentoring young Australians.

The ACTU said the IGR3 gives impetus for its call for the superannuation guarantee to be increased to

15 per cent by 2015 from its current level of 9 per cent for most workers.

“Today’s Intergenerational Report provides more evidence that working Australians are falling behind in saving for their retirement,” ACTU president Sharan Burrow said.

“Unless action is taken soon, this will place an unbearable burden on future generations of workers and taxpayers, and drag down the national economy.”

Investment and Financial Services Association (IFSA) CEO John Brogden agreed.

“We do need to get larger than 9 per cent, we need to get there quickly,” the former NSW Liberal leader told reporters in Canberra.