

**ATTITUDES ON SUPERANNUATION
INTERVIEW SCHEDULE**

PREPARED FOR ASFA

OCTOBER 1999

#4140



WIRTHLIN WORLDWIDE AUSTRALASIA PTY. LTD. ACN 074 078

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METHODOLOGY

Wirthlin Worldwide Australasia is pleased to present these topline results of this study to the ASFA.

Although the most sophisticated procedures have been used to collect and analyse the information presented here, it must be remembered that surveys are not predictions. They are designed to measure public opinion within identifiable statistical limits of accuracy at specific points in time. This survey is in no way a prediction of opinion or action at any future point in time.

This report contains results from a random sample of 300 Australian full and part time workers, aged 18 years of age and older. The data was stratified and weighted according to population age within gender characteristics and gathered between 4-5 October 1999.

Wirthlin Worldwide Australasia typically uses qualitative (percentages or proportions) and quantitative (averages or means) measures in its survey designs. In general, for a qualitative measure, the maximum margin of error for a sample size of 300 is a maximum of + 5.7 percentage points in 95 out of 100 cases. It should be understood, however, that this margin of error only applies to measuring a proportion based on the total sample. Margins of error will be different for comparisons between sub samples and for quantitative measures, such as means derived from ratings scales. Any variation in reported percentages of +/- 1% is due to rounding.

Any questions relating to the findings presented in this report should be directed to Mark Textor, Managing Director or Simon Berger, Senior Project Director at 02-6260-4990.



Questions 1-5 are demographic questions and have not been included.

6. As you may know, in early 1990's, the Federal Government introduced what is known as the Superannuation Guarantee Contribution. This means that workers over a minimum level of income are now legally entitled to a contribution of 7% of their wages to superannuation, paid by their employer. This is scheduled to increase to 9% by 2002. Putting aside your views about how the system is currently administered, do you personally think it as a very good idea, a good idea, or a bad idea, or a very bad idea to introduce a system of compulsory superannuation payments for Australia?

Total good idea	97%
Very good idea	56%
Good idea	41%
Total bad idea	2%
Bad idea	1%
Very bad idea	1%
Don't know	1%

7. Based on what your experiences and also what you have seen, read and heard about superannuation, would you say you are very satisfied, somewhat satisfied, not very satisfied or not at all satisfied with the way the current superannuation system is administered by the Government in Australia?

Total satisfied	74%
Very satisfied	14%
Somewhat satisfied	59%
Total dissatisfied	18%
Not very satisfied	12%
Not at all satisfied	6%
Don't know	8%



B. Putting aside the question of whether or not you are satisfied or dissatisfied with the current superannuation system, what would you say is your biggest concern about the superannuation system in Australia today?

Don't get enough at the end	14%
Too much taxation	7%
Rules change too often	7%
Not enough paid in	7%
Cant get money out when need it	6%
Poor performance - poor returns	5%
Handling charges too high	5%
Not Government guaranteed	4%
Too many policies and companies	4%
Access age limit should be lowered	3%
Lack of information hard to keep track of super	3%
Employer not following guidelines	2%
Unfair for small business	1%
Hard to move money around	1%
Not enough variety	1%
Cuts down on the pension	1%
Women not eligible for ex-husbands super	0%
Cant say	21%
No concerns	8%



9. I'd like to read you the opinions of two imaginary people, let's call them Smith and Jones. I would like you to tell me whether your opinion is more like that of Mr. Smith or more like Mr. Jones. [FOR EACH, IS THAT EXACTLY LIKE SMITH/JONES OR SOMEWHAT LIKE SMITH/J-ONES] [ROTATE]

Mr Smith thinks the most important thing in superannuation is for consumers to be given even more choice so the average worker can have the maximum amount of options about how they arrange their superannuation"

Mr Jones thinks the most important thing in superannuation is for the system to be made simpler so the average worker can understand the rules and plan with certainty"

Total favour more choice	29%
Strongly favour Smith	13%
Somewhat favour Smith	16%
Total favour simpler system	65%
Somewhat favour Jones	35%
Strongly favour Jones	29%
Neither	6%
Don't know	6%



L0. I'd like to read you two more opinions. Once again, I would like you to tell me whether your opinion is more like that of Mr. Smith or more like Mr. Jones. [FOR EACH, IS THAT EXACTLY LIKE SMITH/JONES OR SOMEWHAT LIKE SMITH/JONES] [ROTATE]

Mr Smith doesn't agree with compulsory superannuation, because he thinks workers should be free to make their own choice about whether or not to save for their retirement"

Mr Jones agrees with compulsory superannuation, because he thinks it will help provide for a better retirement by encouraging more people to take responsibility for their own retirement and be less reliant on the aged pension"

Total against compulsory super	14%
Strongly favour Smith	5%
Somewhat favour Smith	9%
Total for compulsory super	79%
Somewhat favour Jones	30%
Strongly favour Jones	49%
Neither	7%
Don't know	7%



11. Once again, I would like you to tell me whether your opinion is more like that of Mr. Smith or more like Mr. Jones. [FOR EACH, IS THAT EXACTLY LIKE SMITH/JONES OR SOMEWHAT LIKE SMITH/JONES] [ROTATE]

Mr Smith thinks it is right for the government to tax voluntary superannuation payments because the people who make them probably have a reasonable amount of money to be able to afford it and these are the people who should be taxed"

Mr Jones thinks it is wrong for the government to tax voluntary superannuation payments because it penalises people who want to do the right thing and provide for their own retirement without putting pressure on the taxpayer"

Total right to tax super	9%
Strongly favour Smith	4%
Somewhat favour Smith	5%
Total wrong to tax super	86%
Somewhat favour Jones	23%
Strongly favour Jones	64%
Neither	5%
Don't know	5%

12. Which of the following improvements do you think is most important to make in relation to the rules governing compulsory and voluntary superannuation: [READ EACH STATEMENT OUT IN TURN THEN RECORD ONE RESPONSE] [ROTATE]

To make the superannuation system simpler, or	23%
To provide <u>more incentive</u> for people to provide for their own retirement through superannuation payments, or	57%
To give workers more choice about which fund they belong to	16%
Don't know	4%



13. I would like to read to you a number of suggestions made by other people we have interviewed or by people or organisations in the superannuation industry about how the superannuation system can be improved. For each measure, I would like you to tell me whether or not you think it is a very good idea, good idea, good idea, a bad idea or a very bad idea for improving the superannuation and retirement incomes system. [READ EACH STATEMENT OUT IN TURN THEN RECORD ONE RESPONSE]

	Total good idea	Very good idea	Good idea	Total bad idea	Bad idea	Very bad idea	Don' t' know / Cant say 1%
a) Simplify the rules so that the average person can understand them	96%	51%	45%	2%	2%		1%
b) Reduce or remove some of the taxes to encourage people to save enough for retirement through super	96%	64%	32%	3%	2%	1%	1%
c) Increase compulsory savings in order to ensure an adequate income in retirement	57%	20%	37%	34%	26%	8%	9%
d) Providing encouragement for <u>long term</u> savings by off-setting the short term worries of locking your money away	85%	33%	52%	9%	7%	2%	6%
e) Encourage people to take out their retirement savings in retirement on a regular basis like a wage rather than in a lump sum	58%	22%	36%	34%	22%	12%	8%
f) As Government in Australia don't plan enough into the future, we need a bipartisan approach to improve Australia savings for retirement policy	80%	38%	42%	7%	5%	3%	13%



14. According to the Australian Association of Superannuation Funds, there are a number of facts which highlight a need for more attention to Australia's approach to superannuation and retirement incomes by government. For each of these facts highlighted by the Association of Superannuation Funds of Australia, I would like you to tell me whether each is a very good reason, somewhat of a good reasons, not a very good reason, or not a good reason at all for government to give more attention to this issue:

	Total good reason	Very good reason	Somewha t of a good reason	Total not a good reason	Not a very good reason	Not a good reason at all	Don' t' know / Cant say 1%
Australia is the only country in the world which taxes superannuation 3 times - when it is going into savings, while it is accumulating and then when you take it out for retirement	93%	71%	22%	6%	4%	2%	1%
Our population is aging. The Australian Bureau of Statistics projects that the number of people aged 65 and over will rise from 12% of the population in 1991 to more than 20% of the population by 2031. This will mean that the costs of health care and the aged pension will increase from 10% of GDP to 22% of GDP which will mean a \$60 billion per year cost to the community	95%	67%	27%	3%	3%	0%	2%
The level of household savings has fallen from 11% of income in the late 1970's to 7.3% in the 1980's and down to less than 1% today. This has taken Australia from 11th place to the lowest savings nation out of 21 western countries surveyed by the IMF and OECD	92%	62%	30%	6%	5%	0%	3%



By taxing superannuation contributions and earnings, rather than just the final payout, governments have taken \$17 billion extra from Australian individuals superannuation savings over the past 10 years. This means the total pool of savings is around \$25 billion less than it otherwise would have been	94%	66%	27%	4%	3%	1%	2%
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