




WJ WOMEN IN SUPER

Women in Super Policy Priorities

**Towards an Australia
where all women are
able to retire into
security and safety.**

About Women in Super

Women in Super is a not-for-profit organisation that works to improve women's retirement outcomes, by advocating for a super system void of gender-based inequality. We do this by working with government, unions, employer organisations, regulators and superannuation funds to campaign for a fairer super system by representing the voice of women in superannuation.



Women in Super acknowledges the diverse identities and experiences of women and girls. We include all women, regardless of gender identity, sexual orientation, ability, and cultural background. We understand that women from marginalized communities, including Aboriginal and Torres Strait Islander women, women with disabilities, and LGBTIQ+ women, often experience intersecting forms of discrimination and inequality, particularly in relation to economic security. Our advocacy efforts are dedicated to supporting all women, particularly those most impacted by systemic oppression.

Area of focus	Objective	Now	Next	Later
Allow women to retire with dignity	Every woman retires with an adequate income to support a retirement with dignity	<ul style="list-style-type: none"> • Raise the Age Pension • Improve the communication and accessibility of the Age Pension • Ensure super is paid on every dollar, including income that is wholly or principally of a domestic or private nature 	<ul style="list-style-type: none"> • Design a new measure of retirement income adequacy • Implement the measure 	<ul style="list-style-type: none"> • Regularly report progress against and index the measure
Support women retiring now	Implement measures for all the women who will retire between now and when the gender super gap closes	<ul style="list-style-type: none"> • Increase Rent Assistance and Age Pension • Prevent gender-based violence and improve support for victim survivors 	<ul style="list-style-type: none"> • Support initiatives to increase supply of social and affordable housing • Close the gender pay gap 	
Restructure tax concessions	A fair, equitable and sustainable system	<ul style="list-style-type: none"> • Realign the LISTO and indexed to future changes to the tax system 	<ul style="list-style-type: none"> • \$700 lump sum payment for low income earners 	
Value and share care work	Recognise and compensate care work economically, and ensure it is shared between women and men	<ul style="list-style-type: none"> • Super guarantee on all forms of Paid Parental Leave must be legislated and implemented 	<ul style="list-style-type: none"> • Super guarantee on Carer's Payment 	<ul style="list-style-type: none"> • Carer's credit • Extend Paid Parental Leave to 52 weeks and ensure the scheme incentivises men's use of parental leave
Apply a First Peoples' lens	First Nations people retire with the same outcomes as other demographics	<ul style="list-style-type: none"> • Improve accessibility of super, including acknowledging kinship structures on benefit payments • Support the priorities of the First Nations Foundation 	<ul style="list-style-type: none"> • Introduce culturally sensitive financial advice protocols across the sector 	
Accept WEET recommendations in full	Implement the full suite of recommendations of the Women's Economic Equality Taskforce Report (2023) to unleash the full capacity and contribution of women to the Australian economy			

Area of focus: Allow women to retire with dignity

Objective: Every woman retires with adequate income to support a retirement with dignity.

Background:

Women's retirement savings are driven by very different experiences and opportunities across their career and life course to men's. Women work relatively shorter total paid hours across their careers due to higher levels of part time work and taking breaks from paid work to care, they also earn lower incomes across careers because of occupational undervaluation, clustering in lower-level and insecure jobs and gendered discrimination in pay and promotion systems. These factors impact on accumulation and on adequacy of retirement savings.

Now:

1.1 Raise the age pension

Currently, a single full Age Pensioner receives \$1026.50 per fortnight, while a couple receives \$773.80 each (\$1,547.60 total). However, these amounts fall short of the poverty line, which is \$1222 for a single person including housing. The RIR stated that 'The Age Pension is more than a safety net. It plays an important role in supplementing the superannuation savings of retirees and allowing them to maintain their living standards. It also provides a buffer for retirees whose retirement income and savings fall due to market volatility, and for those who outlive their savings'. Individuals without sufficient private income should receive social security payments that cover essential living costs. This necessitates indexing payments to wages and inflation to maintain living standards and increasing support for those in deep poverty, such as unemployed individuals and sole parents renting privately. Additionally, tightening income or asset tests for those who don't require public income support can save revenue to enhance social security payments and fund vital health and community services.

1.2 Help people understand and access the age pension

A significant number of retirees, and particularly women, will rely on the Age Pension in retirement, with superannuation providing a key additional part of their retirement financial security in retirement. The interactions between superannuation and government income support are vital to establishing that security, and government has a role to play in ensuring that people have the right information, at the right time, to manage those interactions. Sharing government data with funds would support better development of products to support appropriate access to these services for different cohorts. At significant age points, government should contact people to prompt them to consider applying for the Age Pension, and provide information and assistance applying through relevant government agencies.

1.3. Ensure super is paid on every dollar, including income that is wholly or principally of a domestic or private nature.

NDIS support workers and other domestic workers such as nannies and housekeepers engaged directly, often as independent contractors, may be missing out on superannuation payments that they would otherwise be entitled to, due to retrograde clauses in Australia's superannuation laws that exempt work or income "that is wholly or principally of a domestic or private nature" (and part-time — less than 30 hours per week). Given 70% of these support workers are women, there is a significant impact on women's balances and their security in retirement.

The Superannuation Guarantee (Administration) Act 1992 should be amended to remove this clause in sections 11(2) and 12(11).

Area of focus: Allow women to retire with dignity

Objective: Every woman retires with adequate income to support a retirement with dignity.

Next:

1.3 Design a new measure of retirement income adequacy

Australia lacks a clear objective for our retirement income system. The Retirement Income Review (RIR) proposed 'to deliver adequate standards of living in retirement in an equitable, sustainable and cohesive way'; however, the devil is in the detailed definition of 'adequate' and 'equitable'.

The RIR proposed a measure of adequacy based on replacing 65-75% of final salary, making the problematic assumption that all low-income earners' final salary is indicative of their income throughout life. Replacement rates set a benchmark for adequacy which will leave many single retirees living in poverty – as is currently the case for around a quarter of single retirees. Up until recently, single retired women were the fastest growing cohort of homeless people in this country. While continuing to rise, this cohort has now been overtaken by women aged 30-44. Financial insecurity throughout the life course is a contributor to financial insecurity in retirement and as these women reach retirement age, they will continue to experience it. Our retirement income system assumes that retirees own their own home but an increasing number of retired women do not, and the replacement rate benchmark fails to provide enough to cover the costs of renting. 48% of people who rent in retirement are in poverty; for single renters, that figure is 60%.

The RIR defines equity as 'providing similar outcomes for those in similar circumstances', a statement which entrenches gender inequality. Replacement rates and this definition of equity would, if implemented, perpetuate the profoundly gendered design of our retirement income system and would justify the preferential distribution of superannuation tax concessions to men in building their retirement savings.

Full-time, higher-income and continuously employed people receive more lifetime government support within the retirement income system than lower- and middle-income earners, in dollar terms. This is not just inequitable - it is also economically inefficient and unsustainable.

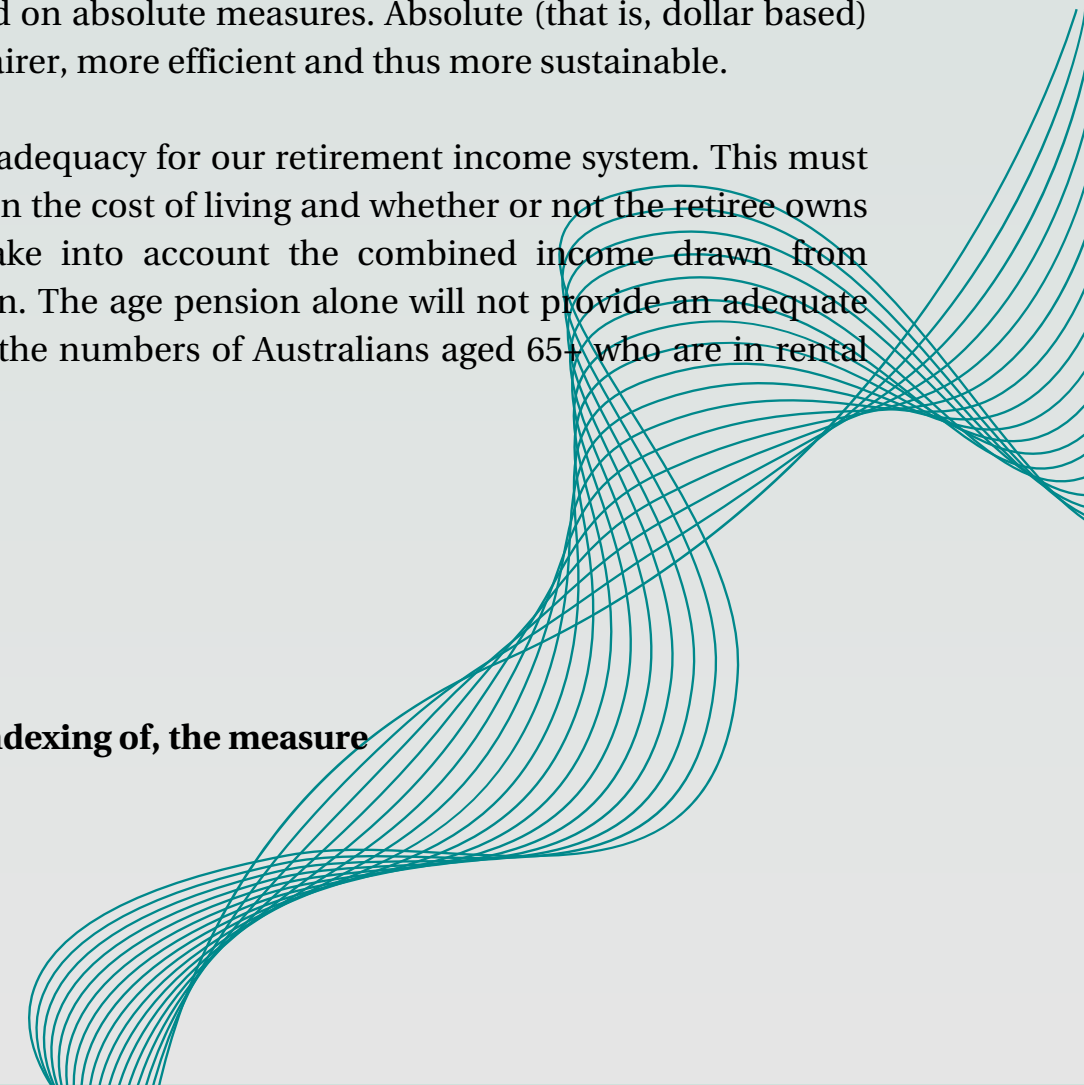
Retirement adequacy benchmarks must be based on absolute measures. Absolute (that is, dollar based) measures would focus our system so that it was fairer, more efficient and thus more sustainable.

Australia must adopt an absolute benchmark of adequacy for our retirement income system. This must be calculated as a living retirement wage based on the cost of living and whether or not the retiree owns their home. The amount benchmark would take into account the combined income drawn from superannuation and the government age pension. The age pension alone will not provide an adequate level of retirement income, as demonstrated by the numbers of Australians aged 65+ who are in rental stress.

1.4 Implement the measure

Later:

1.5 Regular reporting of progress against, and indexing of, the measure



Area of focus: Support women retiring now

Objective: Ensure that all women who retire before gender equity is achieved in superannuation retire with dignity

Background:

75,000 women are retiring each year and support needs to be given to all the women who are retiring now. Given the slow movement of policy and societal change, there must be changes to support the women retiring into poverty today.

Now:

2.1 Adjust rent assistance

Refer to 1.1.

2.1 Prevent gender-based violence and improve support for victim survivors

Current financial services regulation to support vulnerable members takes a compliance-focused approach. There is an immediate need to transition to person-centred to ensure members are supported by their fund appropriately and effectively.

WIS will provide support for funds to improve the level of support they provide to members, and partner with domestic and family violence services to support their advocacy efforts.

Next:

2.1 Support initiatives to increase the supply of social and affordable housing

We need to ensure that people on very low to moderate incomes have access to a place to live which is safe, secure and appropriate. Access to adequate housing is a fundamental human right. It allows people to participate fully in their community .

Women aged 55 and over are the fastest growing group experiencing homelessness and there is an urgent need to deliver high quality, affordable housing within communities. Steps are being taken through measures like the Housing Australia Future Fund (HAFF) which will be used to support the delivery of 20,000 social homes and 10,000 affordable homes but this does not come close to meeting the demand Australia is facing, with an expected shortfall of 252,800 in the six years to 2028.

We recognise that “there is no silver bullet to achieve systemic change or investment. The responsibility does not rest with any one industry or government body. Rather, a coordinated response is required across governments, the private sector, community housing sector, industry groups and the community. It necessitates ambitious, bold decisions and an ongoing commitment to housing equity”.

2.2 Close the gender pay gap

Currently the gender pay gap is 21.7% with women earning 78c for every dollar that men earn on average. Closing the gender pay gap is not only vital for women’s economic security throughout their working life, but also into retirement. As super is paid as a percentage of wages, the gender super gap is intrinsically linked to the pay gap. To see this gap narrow and close, feminised industries must be valued, flexibility in the workforce prioritised, and women promoted at equal rates to men.

Area of focus: Restructure tax concessions

Objective: Achieve a fair, equitable and sustainable system for superannuation tax concessions

Background:

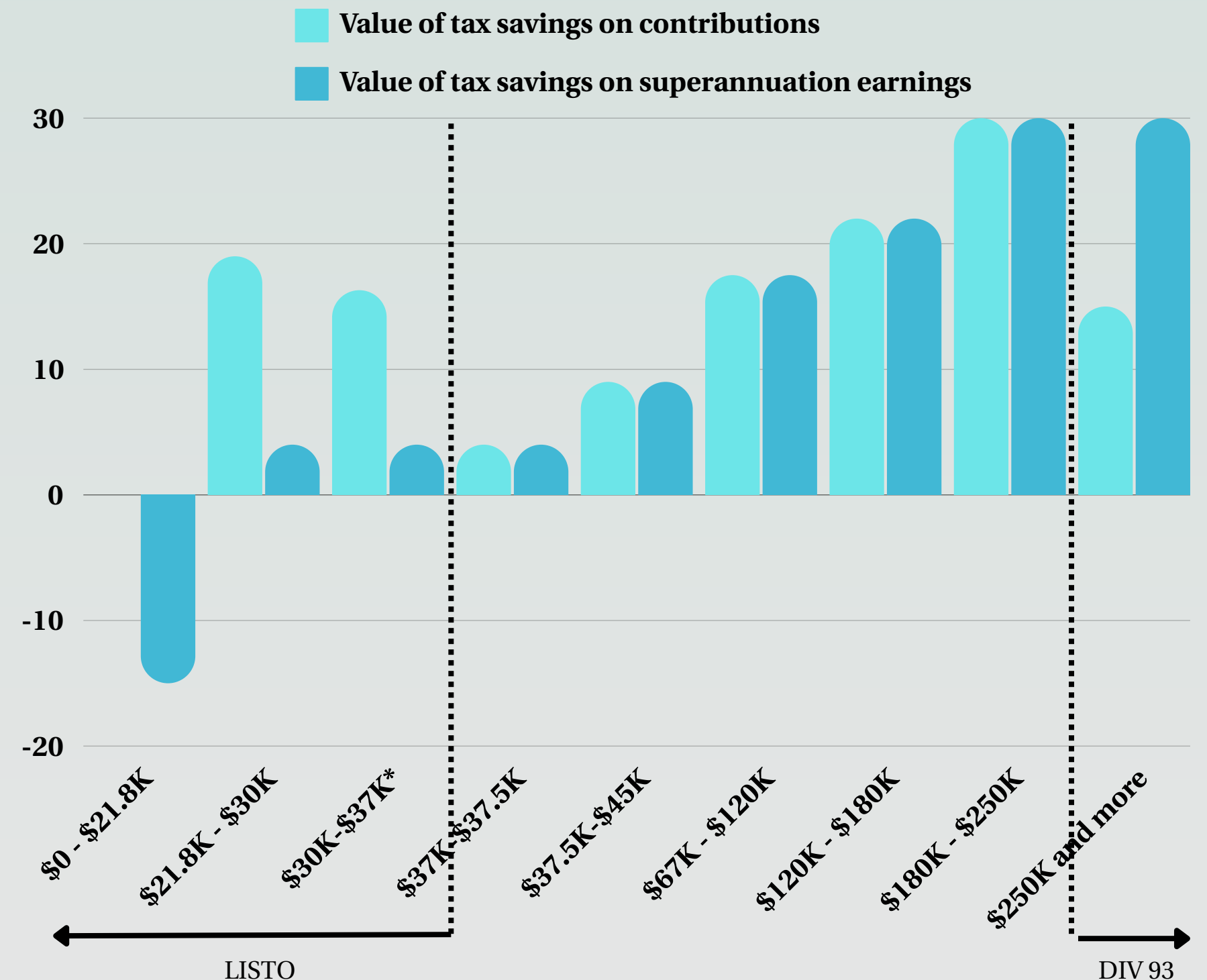
The superannuation system is designed around continuous full-time employment and pays no regard to women's employment patterns or unpaid caring responsibilities. Superannuation tax concessions direct the most assistance to those on high salaries with big superannuation balances (mostly men) rather than to low- and middle-income earners (mostly women).

The only tax concession more likely to be paid to women is the Low Income Super Tax Offset (LISTO). The LISTO and Division 293 tax do not apply to superannuation earnings. This means people with higher annual incomes with larger superannuation balances receive larger tax advantages on superannuation earnings while low paid women continue to pay unfair rates of tax on their super.

Similarly, currently there is no concession or advantage received by individuals earning \$21,884 or less for their superannuation contributions, and their superannuation earnings are still taxed at 15% even though they have a 0% effective tax rate on their take-home pay. This disproportionately affects women and young individuals, who are more likely to earn below this threshold.

According to the Retirement Income Review, several significant stakeholders suggested superannuation savings should be taxed more progressively. For example, equalizing the tax advantage of superannuation contributions and earnings, or reducing the gap of the value of superannuation tax savings between low and high income earners.

The proposed stage 3 tax cuts will further widen the gap between taxes on superannuation contributions and take-home pay for those earning \$18,200 to \$45,000.



Area of focus: Restructure tax concessions

Objective: Achieve a fair, equitable and sustainable system for superannuation tax concessions

Now:

3.1 Realign the LISTO

The low-income superannuation tax offset compensates low-income individuals for the tax that their superannuation fund or retirement savings account provider pays on concessional contributions to the individual's superannuation. If the LISTO had been legislated to index with changes to the super guarantee and tax brackets, it would still be working effectively. Realigning the LISTO will ensure the policy outcomes align with its original intent.

For low-income earners, the 15 per cent tax on superannuation contributions translated to a higher tax burden on their superannuation contributions compared to their other income. The LISTO effectively refunds the tax paid on concessional contributions by individuals with a taxable income of up to \$37,000—up to a cap of \$500.

The current LISTO thresholds and caps are designed for the tax thresholds and SG rate as they existed when the policy was first introduced.

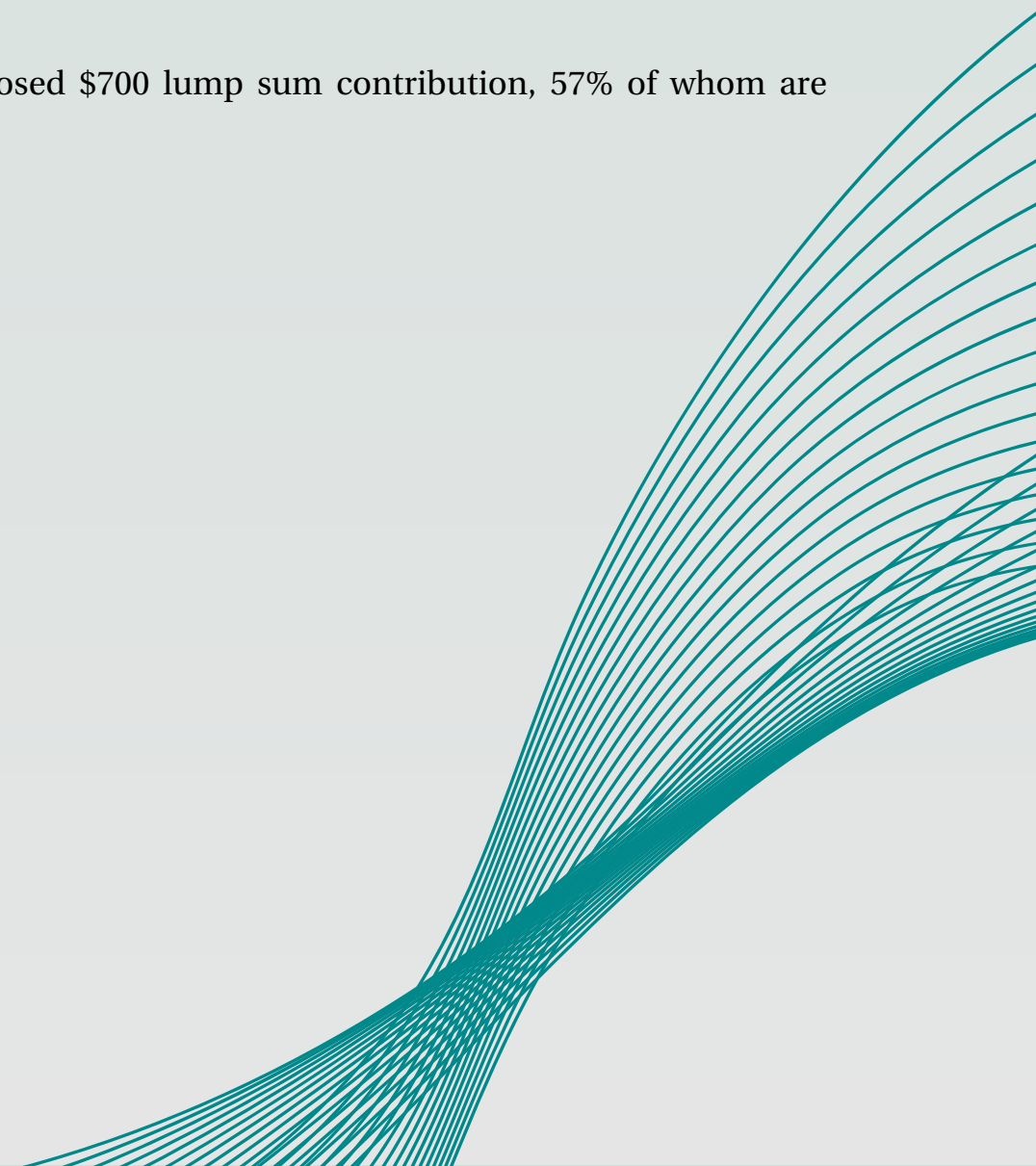
If LISTO aligns with the current tax system, a 25 year old earning \$37k p.a. would be \$54k better off in retirement in today's dollars. LISTO must be realigned to the current tax system and be indexed to adapt to future changes in the tax system.

Next:

3.2 \$700 lump sum payment

A lump sum contribution of \$700 for bottom 30% of superannuation balance by age would help increase the superannuation balances of women with the lowest balances in superannuation to improve their retirement outcomes.

1.5 million people would benefit from the proposed \$700 lump sum contribution, 57% of whom are women.



Area of focus: Value and share care work

Objective: Value paid and unpaid care work more appropriately to improve the retirement outcomes of carers

Background:

Unpaid caring is not economically valued and women continue to bear the majority of the workload of unpaid care in Australia. On average, women dedicate 4 hours and 31 minutes daily to unpaid work activities, compared to males who spend an average of 3 hours and 12 minutes. Moreover, mothers invest an average of 3 hours and 34 minutes per day in childcare activities, whereas fathers spend 2 hours and 19 minutes. Women represent 70% of unpaid primary carers for children and 56.1% of unpaid carers for the elderly, people with disabilities, or those with long-term health conditions. Centrelink does make a carers payment, but many carers are not currently entitled to it, despite needing financial support.

Now:

4.1 Legislate and implement the superannuation guarantee on all forms of Paid Parental Leave

We have welcomed the Federal Government's announcement in March 2024 that they will pay superannuation on the Commonwealth Parental Leave Pay Scheme beginning 1 July 2025 as a significant step to closing the gender superannuation gap and valuing child-rearing. Given the strong majority of women spend 4 months or more out of the workforce after the birth of a child, and 63% of Australian employers with 100 or more employees already offering their own paid parental leave, the next step is to legislate superannuation on all forms of paid parental leave.

Next:

4.2 Superannuation on Carer's Payment

Following the implementation of superannuation on paid parental leave, it is important to expand the program to include superannuation on the Carer Payment to ensure those whose working lives are interrupted to provide unpaid care, are not left behind. A primary carer loses an average of \$175,000 in superannuation and \$392,500 in lifetime earnings, to the age of 67. Some who are carers for extended periods of time will lose substantially more, with the most affected 10% losing at least \$940,000 in lifetime income, and \$444,500 in retirement savings.

As of September 2023, there were 304,480 Australians in receipt of Carer Payment, and the average length of time receiving this was 11.5 years – significantly longer than the average length of time taking paid parental leave.

“Paying superannuation on the Carer Payment would not only contribute to a carer's financial security in retirement but also reduce the demand for future government expenditure on the Age Pension”.

Area of focus: Value and share care work

Objective: Value paid and unpaid care work more appropriately to improve the retirement outcomes of carers

Later:

4.3 Explore and implement a carer's credit system

A key factor behind the gender superannuation gap is that women take on average five years out of the workforce to care for children or family members which can cause their superannuation savings to stagnate and fall behind those of men. One of the most critical levers for addressing the superannuation gender gap is recognising and valuing the unpaid caring work, which is undertaken predominantly by women. Unpaid caring roles should be valued in an appropriate way that recognises the economic contribution made by this work - caring credits can do this. This will close the superannuation gap by increasing women's balances and bringing them more in line with the necessary amount and help to provide for a fairer retirement system and will improve the retirement experience of women by recognising the incredibly important economic and social contribution they make through unpaid caring work.

4.4 Expand the Paid Parental Leave entitlement

We support the Women's Economic Equality Taskforce's recommendation of phasing the Paid Parental Leave entitlement up to 52 weeks and boosting the quantum of payments to reach a replacement wage and ensure the scheme incentivises men's use of PPL.



Area of focus: Apply First Peoples' lens

Objective: First Nations people retire with the same outcomes as non-Indigenous Australians

Background:

There are numerous barriers to First Nations people accessing and enjoying the benefits of the superannuation system. First Nations people have a lower life expectancy than non-Indigenous Australians and are therefore less likely to reach preservation age. Other barriers include language, financial literacy, technology and difficulty of access to engage with superannuation in remote areas.

Now:

5.1 Accessibility of superannuation for First Nations people

According to the First Nations Foundation, "Indigenous people often have different kinship structures compared to non-Indigenous people and currently, these structures aren't recognised by the superannuation industry. This causes a significant challenge when a family member passes away and their superannuation balance isn't accessible to rightful kin. This issue extends to deceased estates, where kin, despite being culturally appropriate beneficiaries, may encounter obstacles in applying for property inheritance."

5.2 Support the priorities of the First Nations Foundation

The First Nations Foundation are doing critical work identifying and advocating for solutions that promise a better future for generations to come. We support their work and will amplify their advocacy.

Next:

5.3 Culturally sensitive communication and engagement

To improve First Nations' access to their super, funds must implement culturally sensitive protocols including improving cultural awareness of those in the superannuation sector who interact with First Nations communities, standardising forms, and empowering financial counsellors to represent Indigenous clients effectively.



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