



Pre-Budget Submissions
Treasury
Langton Cres
Parkes ACT 2600

25 January 2024

RE: 2024-25 PRE-BUDGET SUBMISSION

Women in Super has prepared this submission in response to the invitation from the Assistant Treasurer and Minister for Financial Services regarding priorities for the 2024-25 Budget

WOMEN IN SUPER

Women in Super (WIS) is a national advocacy and networking group for women employed in the superannuation and wider financial services industries. WIS advocates to improve women's retirement outcomes and access to superannuation.

ADDRESSING NEGLECTED BASIC EQUITY MEASURES FOR WOMEN

The next Federal Budget must finally address two of the most fundamental measures of inequity in women's financial security in retirement:

- Pay superannuation on Commonwealth Parental Leave Pay.
- Remedy the fact that the lowest-paid workers - most of whom are women - pay the highest rates of tax on their super contributions, by aligning eligibility and payment rates for the Low-Income Super Tax Offset with tax brackets and the Superannuation Guarantee rate.

PAY SUPERANNUATION ON COMMONWEALTH PARENTAL LEAVE PAY

Advocates for gender equity have made countless submissions urging the Federal Government to pay superannuation on Commonwealth Parental Leave Pay since the scheme was introduced.

This has also been recommended by the Productivity Commission¹ and in 2023 the Women's Economic Equality Taskforce².

It is profoundly unacceptable that the Government continues to defer addressing this critical issue. It is unjust and discriminatory in modern Australia that one of the only forms of leave that does not attract the superannuation guarantee is predominately accessed by women, whilst other forms of paid leave, including sick leave, annual leave, and long service leave, attract superannuation guarantee payments. The failure to pay super on Parental Leave Pay exacerbates the significant economic insecurity

¹ Australian Federation of Employers and Industries, 2008. [Parental leave as a work-related entitlement](#).

² Women's Economic Equality Taskforce, 2023. [A 10-year-plan to unleash the full capacity and contribution of women to the Australian economy 2023 - 2033](#).



experienced by far too many older Australian women, contributing to the alarming rise of older single women as the fastest-growing cohort amongst the homeless population in Australia³.

We urge you to finally introduce this critical measure.

ALIGN THE LOW-INCOME SUPER TAX OFFSET (LISTO) WITH TAX BRACKETS AND THE SG RATE

The LISTO serves as a crucial mechanism aimed at alleviating the fundamental injustice faced by low-income earners within our superannuation system – that they are paying more tax on their super contributions than on their take-home pay. This disparity is unique to this demographic, as medium and high-income earners benefit significantly from tax concessions, with a notable 40% of tax breaks flowing to the top 10% of income earners⁴. Persistently neglecting updates to this measure sends a clear message that the Government does not value financial security in retirement for low-income earners, a demographic primarily composed of women⁵. Since the introduction of the LISTO, and its predecessor, the LISC, the Government has received countless submissions supporting the measure and underscoring its importance. We urge you to review these submissions.

RECOMMENDATIONS

- **Include Superannuation Guarantee payments in the Government Paid Parental Leave scheme, as recommended by the Productivity Commission**
- **Adjust the LISTO to match changes to the second tax bracket and SG rates and introduce a mechanism to ensure eligibility is permanently aligned.**

CONTACT

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Yours faithfully,

A handwritten signature in blue ink, appearing to read 'JK', is positioned above the name and title of the sender.

JO KOWALCZYK

Chief Executive Officer

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³ Australian Parliament House, 2020. [Retiring into Poverty](#).

⁴ The Treasury, 2023. [2022-23 Tax Expenditures and Insights Statement](#).

⁵ The Treasury, 2021. [Retirement Income Review Final Report](#).