

RE: WOMEN'S ECONOMIC OPPORTUNITIES REVIEW

Women in Super has prepared this submission in response to the invitation from the NSW Government in regards to the Women's Economic Opportunities Review.

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.

OVERVIEW

Women across Australia are retiring with lower superannuation balances leading to lower levels of financial insecurity and growing rates¹ of homelessness and housing distress². The super gap is perpetuated by a number of factors, including women's lower earnings on full time wages³, women are more likely to take time off to be the primary carer⁴ for children as well as taking on a greater load of ongoing caring responsibilities⁵ including care of the disabled and elderly women are more likely to work in part time⁶, casual and insecure work including being self-employed.

While we acknowledge that some necessary changes are the responsibility of the Federal Government, we feel it is still important for the NSW State Government to be aware of their impact on women so that they can advocate for these changes on a Federal level. For the recommendations which fall under the jurisdiction of state governments, these changes could be implemented that would not only impact the almost 4 million women living in NSW⁷, but also the

¹ Australian Bureau of Statistics, 2018. <https://www.abs.gov.au/statistics/people/housing/census-population-and-housing-estimating-homelessness/latest-release>

² Australian Institute of Health and Welfare, 2021. <https://www.aihw.gov.au/reports/homelessness-services/shsc-data-cubes/contents/data-cubes>

³ Workplace Gender Equality Agency, 2022. <https://www.wgea.gov.au/publications/australias-gender-equality-scorecard>

⁴ Australian Bureau of Statistics, 2018. <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202018~Main%20Features~Work%20and%20Family%20Balance~7>

⁵ Ibid, 2021. <https://www.abs.gov.au/media-centre/media-releases/women-spent-more-time-men-unpaid-work-may>

⁶ Workplace Gender Equality Agency, 2022. <https://www.wgea.gov.au/publications/australias-gender-equality-scorecard>

⁷ Australian Bureau of Statistics, 2016. https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/1

413, 567 public sector employees in NSW who make up over 10% of NSW's workforce⁸, 65.4% of whom are women⁹.

RECOMMENDATIONS

For the NSW government

We recommend that all public sector employees are paid superannuation on their Paid Parental Leave. This will be a significant step towards closing the super gap for younger women and will bring the public sector in line with private sector. 81%¹⁰ of private sector employers offering paid parental leave pay super on this leave. With almost all other forms of leave attracting the superannuation guarantee, the lack of superannuation payments while women take time out of the workforce to care for children causes a wide gap between their balances and those of their male colleagues, that they can never recover from¹¹.

The female dominated employment sectors of health and education have very significant levels of State Government employment. Supporting fair and equitable work value assessments for these workers would be a significant commitment that would flow through to salaries, superannuation contributions and retirement outcomes.

10.6% of Australia's workforce are self-employed and have to rely on their own cash flow to prioritise super payments. While there is still a slight majority of men in this position, the number of female solo business owner-operators is on the rise¹². We recommend that the NSW State Government Funding/Grant guidelines to include and require superannuation for all employees engaged on contracts and self-employed.

On a Federal level

We would like to see the NSW government advocating for women in NSW who are negatively affected by federal policy settings.

We recommend superannuation to be paid on the Commonwealth Paid Parental Leave Scheme to support those accessing this leave, 95% of whom are women¹³.

⁸ NSW Government Public Service Commission, 2020. <https://www.psc.nsw.gov.au/reports-and-data/workforce-profile/workforce-profile-reports/workforce-profile-report-2020/size-and-composition>

⁹ Ibid.

¹⁰ Workplace Gender Equality Agency, 2022. <https://www.wgea.gov.au/newsroom/parental-leave-scorecard#:~:text=Of%20the%20employers%20offering%20paid,funded%20parental%20leave%20as%20well.>

¹¹ Industry Super Australia, 2021. <https://www.industrysuper.com/assets/FileDownloadCTA/Gender-super-gap-to-span-decades.pdf>

¹² Parliament House, 2021. Select Committee on Job Security Submission 77 - Supplementary Submission 2

¹³ Australian Bureau of Statistics, 2017. [https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202017~Media%20Release~One%20in%2020%20dads%20take%20primary%20parental%20leave%20\(Media%20Release\)~11#:~:text=Arou nd%2095%20per%20cent%20of,of%20all%20secondary%20parental%20leave.](https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202017~Media%20Release~One%20in%2020%20dads%20take%20primary%20parental%20leave%20(Media%20Release)~11#:~:text=Arou nd%2095%20per%20cent%20of,of%20all%20secondary%20parental%20leave.)

We recommend the Low Income Super Tax Offset (LISTO) be adjusted in line with other tax thresholds and structures. The LISTO should apply to those earning up to \$45,000, and the maximum payment should be adjusted to reflect the superannuation tax paid at that salary level as the SG rises to 12%. With women more likely to be low income earners, they are affected significantly by the LISTO.

Unpaid caring roles should be valued in an appropriate way that recognises the economic contribution made by this work – carers credits can do this. Carers credits renumerate a person's superannuation fund while they are out of the workforce providing care. Research is currently being undertaken by key industry bodies that will reflect the cost and impact of this.

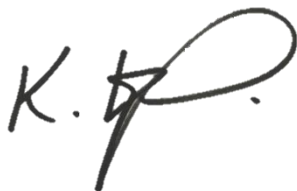
We recommend that a gendered review of the impact of the COVID-19 pandemic on retirement outcomes for women is urgently taken. With evidence emerging of more than 70,000 women being coerced by their partners to access their super through the Early Release Scheme¹⁴, some of whom will end up \$95,696 worse off in retirement as a direct result¹⁵, it is imperative that these impacts are properly reviewed and measures are developed to help women recover their balances.

As mentioned above, there is a growing proportion of women who are solo business owner-operators, and these 1.338¹⁶ million employees do not automatically accrue superannuation on their earnings. This places the onus on the individual to contribute to their own super and is a missed opportunity for the universality of superannuation which could support all Australians to have dignity in retirement. We recommend that on a policy setting level this is reviewed as to the benefits of mandating super payments for those who are self-employed and contractors.

CONTACT

Ella Melican, Policy Advisor – emelican@womeninsuper.com.au

Kind regards,



Kara Keys
National Chair, Women in Super

¹⁴ Australian Institute of Superannuation Trustees, 2022. https://www.aist.asn.au/getattachment/Media-and-News/News/2022/Media-Release-AIST-calls-on-Government-to-use-Budg/28-01-22_AISTMEDIA-AIST-calls-on-Government-to-use-Budget-to-improve-super-system_FINAL.pdf.aspx

¹⁵ Industry Super Australia, 2020. <https://www.industrysuper.com/campaigns/coronavirus-and-your-super/>

¹⁶ Parliament House, 2021. Select Committee on Job Security Submission 77 - Supplementary Submission 2

