



Director
Department of the Prime Minister and Cabinet's Office for Women
The Treasury
Langton Crescent
PARKES ACT 2600

17 April 2023

National Strategy to Achieve Gender Equality | Discussion Paper

Women in Super has prepared this submission to inform the Australian Government National Strategy to Achieve Gender Equality and includes what we believe to be the most important priorities to achieve gender equality in Australia

Women in Super works to improve the economic security of Australian women in retirement.

Structural inequalities in Australia's superannuation system result in women retiring on average with significantly less super than men.

After 30 years of compulsory superannuation paid on wages, Australia's superannuation assets have grown to \$3 trillion. Because women perform more unpaid and low paid work, the prosperity generated by these assets is not equally distributed.

Women in Super advocates for reforms that address the systemic inequalities that harm women as they age.

Women in Super grew from the trusted all-profit-to-member superannuation sector and our values reflect their objectives to improve the retirement outcomes of working Australians, returning all profits to members.

Women in Super builds networks and relationships of advocates, leaders, and volunteers across the sector to organise, convene and advocate for meaningful policy change for Australian women and to increase women's, capacity, professional development opportunities and participation in our sector.



Our purpose

Women in Super works to remove the gendered inequity in superannuation. Women in Super advocates for structural reforms for women to receive a more equitable share of Australia's flourishing superannuation assets. Women in Super provides our members with various professional development, networking and career progression opportunities, including events, scholarship programs, and training sessions.

Objective

For a fairer superannuation system to enable Australian women to retire with dignity and economic security.

Recommendations

According to the Status of Women Report Card 2023, Australia ranks 43rd in the world for gender equality¹. While some progress has been made in recent years, women still face significant challenges, particularly in terms of pay and representation in leadership roles. The gender pay gap sits at approximately 13.4% and only 32% of senior leadership positions are held by women². Additionally, women are more likely to experience violence and harassment, with one in three having experienced physical violence since the age of 15³.

Although much needs to be done, Women in Super has a number of policy priorities which we believe should be addressed in the strategy:

Support women to save for retirement by ensuring they receive a fair share of government support for their retirement savings, given the gender imbalance in distribution of super tax concessions.

¹ [Australian Government, Status of Women Report Card, March 2023.](#)

² [Australian Government Department of the Prime Minister and Cabinet, National Strategy to Achieve Gender Equality Discussion Paper, 2023.](#)

³ [Ibid.](#)



The way that the current system is designed increases inequality within the system.

Superannuation tax concessions should be recalibrated towards those who need additional support to achieve economic security in retirement. We propose that low-income earners aged 25 and over receive a \$1,000 per annum government contribution into their superannuation until they reach a super balance of \$100,000 to address inadequate retirement savings. Many commentators in recent years have called out the deeply inequitable and economically inefficient distribution of tax concessions and so boosting support for women and other lower income earners could be done in a cost neutral basis⁴.

Align the Low-Income Super Tax Offset (LISTO) with PAYG thresholds

The Low-Income Super Tax Offset (LISTO) is a government superannuation contribution of up to \$500 per year and is designed to ensure the tax rate on compulsory contributions is not higher than the amount of income tax paid by low-income earners⁵— in other words, that low-income earners do not suffer a tax penalty for making super contributions. – 2.6 million workers, 60% of whom are women⁶.

Originally aligned with the 19% tax bracket upper limit of \$37,000, the limit has increased to \$45,000, while the limit for the LISTO was not adjusted. The concessional contributions cap was raised as of 1 July 2021 as a result of indexation, in line with average weekly ordinary time earnings (AWOTE)⁷. Incongruously, the LISTO was not adjusted as well.

Pay the Superannuation Guarantee on Paid Parental Leave

In modern Australia, it is unfair and discriminatory that one of the only forms of leave that does not attract super is accessed predominately by women⁸, when

⁴ [The Australia Institute, 'Australia's Tax Concession System Stacked Against Women', April 2021.](#)

⁵ [Australian Taxation Office, 'Low income super tax offset', 2019.](#)

⁶ [AMP, 'Women the winners in low income super tax offset', February 2020.](#)

⁷ [Australian Taxation Office, 'Understanding Contribution Caps', December 2022.](#)

⁸ [Australian Bureau of Statistics, 'Work and Family Balance', 2020](#)



other forms of paid leave such as sick leave, annual leave and long service leave attract super payments.

The Superannuation Guarantee should be paid on the Commonwealth Paid Parental Leave scheme, so that all parents (but especially mothers who currently still do most of the unpaid caring) can continue to grow their superannuation while on parental leave. This will prevent some of the stagnation of growth of women's super-balances around child-rearing years and will decrease the super gap between women's and men's balances that widens significantly between ages of 38 and 47⁹.

Explore and implement a Carers Credit framework in Australia's retirement income system

Unpaid caring is not economically valued, and women continue to bear the workload of unpaid care in Australia. On average women spend 64% of their 'working hours' with no remuneration in comparison to 36% for men¹⁰. Women represent 70% of unpaid primary carers for children and 56.1% of unpaid carers for the elderly, people with a disability or those with a long-term health condition¹¹. Centrelink does make a carers payment, but many carers are not currently entitled to it, despite needing financial support¹².

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 super 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.

The underlying challenges in the way Australia values and allocates care work and women are significant. Women in Australia perform the majority of unpaid care work, with 67% of primary carers for children being women¹³. This disproportionality is reflected in the workforce, where women are

⁹ Industry Super Australia, 'Closing the Gender Super Gap', n.d.

¹⁰ Workplace Gender Equality Agency, Australian Unpaid Care Work and the Labour Market, n.d.

¹¹ Australian Bureau of Statistics, 'Disability, Ageing and Carers, Australia: Summary of Findings, 2012', 2012.

¹² Services Australia, 'Carer Payment, Rules for Carers', 2021.

¹³ Australian Government Department of the Prime Minister and Cabinet, 2023. *Op cit.*



overrepresented in low-paid care industries such as aged and disability care¹⁴. Women in Australia face a ‘motherhood penalty’, in which mothers experience a significant financial setback due to both reduced working hours and time out of the workforce¹⁵. Women’s earnings are reduced by an average of 55 per cent in the first five years of parenthood¹⁶. Research by the Grattan Institute using data from the 2017 HILDA Survey estimated that an average 25-year-old woman with children will earn around \$2 million less over her lifetime than an average 25-year-old man with children, and nearly \$1 million less than an average woman without children¹⁷.

Several critical factors exacerbate gendered disadvantage for women over their life course. Women tend to earn less than men – for every dollar on average men earn, women earn 87 cents, or \$13,182 less per year¹⁸, they have lower superannuation balances¹⁹ and are at a growing risk of poverty and homelessness²⁰. Women are also overrepresented in low-paid industries and part-time work, making it difficult for them to advance in their careers. Women perform the majority of unpaid care work, which can negatively impact their career prospects and financial independence²¹. Data shows that taking time off of the workforce to care for a child can cost a woman up to \$283,000 in super savings²². Women are also more likely to experience family and domestic violence, which can lead to long-term physical and mental health issues²³.

Overall, the combination of these gendered factors has a significant cumulative impact on women’s lifetime earnings and becomes particularly evident for older women and on their retirement incomes.

The gender super gap cannot be solved by any one policy setting; instead, it is necessary to ensure a holistic approach to ensure the system addresses the numerous structural obstacles women face to saving enough superannuation to support a reasonable standard of living in retirement. A gender lens must be applied to all existing and future policies around super to analyse their impact on women, rather than just on the ‘average Australian’. Women are often disproportionately negatively impacted by policy changes around superannuation, such as the COVID-19 Early Release Scheme, and it is imperative that this does not happen in the future.

¹⁴ [Workplace Gender Equality Agency, ‘Gender Equality and Caring’, February 2021.](#)

¹⁵ [Australian Government Department of the Prime Minister and Cabinet, 2023. *Op cit.*](#)

¹⁶ [ibid.](#)

¹⁷ [Grattan Institute, ‘Reform ‘Daddy leave’ to narrow the gender gap in paid and unpaid work’, August 2020.](#)

¹⁸ [Workplace Gender Equality Agency, ‘Gender pay gap data’, November 2022.](#)

¹⁹ [The Treasury, ‘Retirement Income Review’, November 2020.](#)

²⁰ [Australian Human Rights Commission, ‘Risk of Homelessness in Older Women’, April 2019.](#)

²¹ [Workplace Gender Equality Agency, ‘Unpaid care work and the labour market’, November 2016.](#)

²² [Really Simple Money, ‘Having Children can cost you \\$283,000 in super’, October 2022.](#)

²³ [Australian Government Department of the Prime Minister and Cabinet, 2023. *Op cit.*](#)



Thus, for all future modelling and policy settings, a gender lens must be applied to fully evaluate the impact on women.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Jo Kowalczyk'.

Jo Kowalczyk

CEO, Women in Super