



Classification: OFFICIAL

Director  
Superannuation Insurance and Governance Unit Member Outcomes and Governance Branch  
Retirement, Advice and Investment Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

29 September 2023

## **Legislating the Objective of Superannuation Exposure Draft Legislation**

**Women in Super has prepared this submission in response to the request for feedback and comments from interested stakeholders for the consultation process on legislating the objective of superannuation.**

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 \$3.5 trillion<sup>1</sup>. Because women perform more unpaid and low paid work<sup>2</sup>, 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.

### **About Women in Super**

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.

---

<sup>1</sup> [Super Statistics - ASFA \(superannuation.asn.au\)](https://www.superannuation.asn.au/super-statistics)

<sup>2</sup> [Females do more unpaid work, males do more paid work | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/press-releases/2022/04/females-do-more-unpaid-work-males-do-more-paid-work)

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.

## Recommendations

Women in Super strongly supports legislating the objective for superannuation and the proposed wording, including the focus on delivering a dignified retirement and the need for the system to deliver income in an equitable way, and that savings are preserved for retirement. This is critical given the number of women who do not currently achieve a dignified or secure retirement, rather experiencing poverty<sup>3</sup> and increasingly homelessness<sup>4</sup>

This was exacerbated by the COVID-19 Early Release Scheme. As the fallout from the COVID-19 Early Release system is being realised, it is apparent that the aged pension is bearing the cost of \$2.50 for every \$1 accessed<sup>5</sup>, with the impacts on women significantly greater than those on men<sup>6</sup>.

This draft legislation will ensure that future changes to the superannuation system are compatible with its objective by requiring policy makers to assess proposed changes to super legislation against the objective.

### *Dignified Retirement for Women*

#### **We recommend:**

- The exploratory memorandum acknowledges the fact that many women do not receive an income over their working life that delivers a dignified retirement, as evidenced by the persistent gender super gap<sup>7</sup>.

Our current system remains highly unfair and continues to severely disadvantage low-wage workers, most of whom are women. Women remain overwhelmingly responsible for care work, taking time out

---

<sup>3</sup> [Inquiry into economic security for women in retirement](#), ISA 2015.

<sup>4</sup> [Developing the National Housing and Homelessness Plan – Issues Paper](#), Department of Social Services, 2023.

<sup>5</sup> [Industry Super Australia 2023 – Study shows early release of super causes economic Long Covid](#)

<sup>6</sup> [AIST 2023 - Gender super gap set to widen for women who applied for COVID early release](#)

<sup>7</sup> [Closing the gender superannuation gap](#), ISA, n.d.

of the workforce to care for children and older family members<sup>8</sup>, losing out on income and the associated superannuation. In addition to the persistent gender pay gap of 13.3%<sup>9</sup>, the combination of these gendered factors has a cumulative impact on women's lifetime earnings, particularly for older women, and on their retirement incomes.

Women who care for family members forego \$392,500 in lost wages to age 67 and miss out on a further \$175,000 in superannuation<sup>10</sup>, and those who have taken time out of the workforce to have children have lost out on \$2.8 billion in super savings at retirement<sup>11</sup>. To have a truly equitable system, there must be inbuilt mechanisms which ensure that people undertaking caring work are acknowledged and fairly compensated so they do not spend their retirement in poverty, and the term equitable must include an accommodation of unpaid care work.

### ***Pathway to Closing the Gender Super Gap***

To begin addressing the lifecycle issues which contribute to the gender super gap, we have developed a Policy Framework (as summarised below) – a list of policy changes we believe are steps to closing the super gap. While we acknowledge these policy changes alone are not enough to close the gender super gap, we believe this provides a good pathway to address these inequalities. More will need to be done but each change to the policy settings will make a difference to many women's retirement outcomes around Australia.

#### **Policy Framework:**

- Holistic modelling of policies with a focus to improving women's retirement outcomes
- Pay super on Paid Parental Leave
- Introduce a benchmark for retirement adequacy that does not shaft women
- Ensure women receive a fair share of super tax concessions
- Align the LISTO with PAYG thresholds
- Explore and implement a Carer's Credit framework in Australia's retirement income system

Kind regards,



Jo Kowalczyk  
CEO, Women in Super

---

<sup>8</sup> <https://www.abs.gov.au/statistics/people/people-and-communities/how-australians-use-their-time/latest-release>

<sup>9</sup> <https://www.wgea.gov.au/pay-and-gender/gender-pay-gap-data>

<sup>10</sup> [Carers Australia 2022 - Carers are \\$17,700 worse off every year in superannuation payments](#)

<sup>11</sup> [HESTA 2023 – Working mums missing out on billions in super](#)