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

31 March 2023

Legislating the Objective of Superannuation

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 \$3.3 trillion¹. Because women perform more unpaid and low paid work², 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.

¹ [Super Statistics - ASFA \(superannuation.asn.au\)](https://superannuation.asn.au)

² [Females do more unpaid work, males do more paid work | Australian Bureau of Statistics \(abs.gov.au\)](https://abs.gov.au)



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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.

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 supports the proposed objective for superannuation; legislating the objective of Australia's superannuation system engenders several practical benefits.

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 of the workforce to care for children and older family members³, losing out on income and the associated superannuation. In addition to the persistent gender pay gap of 13.3%⁴, 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 superannuation⁵, and those who have taken time out of the workforce to have

³ <https://www.abs.gov.au/statistics/people/people-and-communities/how-australians-use-their-time/latest-release>

⁴ <https://www.wgea.gov.au/pay-and-gender/gender-pay-gap-data>

⁵ [Carers Australia 2022 - Carers are \\$17,700 worse off every year in superannuation payments](#)



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children have lost out on \$2.8 billion in super savings at retirement⁶. 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.

Effectively legislating an objective of the super system that includes mechanisms which understand the existing inequality will remove the onus from women to close the gender superannuation gap on an individual level, and instead recognise the different patterns of work that are traditionally held by men and women. This ensures that focus is appropriately on the system.

These mechanisms need to ensure system settings are measured against the objective to identify where the system is producing unfair outcomes; and that policy change is subject to gender analysis to ensure it will improve gender outcomes. It is imperative that a gender lens is applied to all policy changes, and while this may not be explicitly called out in the definition, it must be included in the exploratory memoranda, to ensure we do not continue to legislate changes within the super system, with detrimental impacts on women in the same way as current tax concessions and the COVID-19 Early Release Scheme.

To create a fair system that works for all, it's imperative to legislate the objective of super as sustainably working to provide long-term benefits. As the fallout from the COVID-19 Early Release system is being realised, it's apparent that the aged pension is bearing the cost of \$2.50 for every \$1 accessed⁷, with the impacts on women significantly greater than those on men⁸. A super system as big⁹ and unfair as ours simply cannot be sustainable in the long term.

Kind regards,

Jo Kowalczyk
CEO, Women in Super

⁶ [HESTA 2023 – Working mums missing out on billions in super](#)

⁷ [Industry Super Australia 2023 – Study shows early release of super causes economic Long Covid](#)

⁸ [AIST 2023 - Gender super gap set to widen for women who applied for COVID early release](#)

⁹ [ASFA - Superannuation Statistics November 2022](#)