

## Senate inquiry a welcome opportunity to address gender retirement income gap

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**The Australian Institute of Superannuation Trustees (AIST)** welcomes the announcement of a Senate Inquiry into improving retirement outcomes for Australian women.

**AIST CEO Tom Garcia** said the gender retirement income gap – now more than 46 per cent – was a persistent and serious flaw in the superannuation system that needed to be addressed with bold policy reforms, ideally supported by all political parties.

“The super savings gap between women and men at retirement is a complex problem so we are very pleased to see that the Inquiry’s terms of reference – with cross-party support – are necessarily broad and deep,” Mr Garcia said.

The Inquiry will examine a range of factors contributing to the retirement savings gap including the gender pay gap, women’s caring responsibilities and whether there are structural impediments in the superannuation system.

Recent research by AIST and Mercer has found that the gender savings gap at retirement stands out as a key area of weakness in Australia’s super system.

The AIST-Mercer Super Tracker – which measures 10 key super system metrics including gender bias – rates the current gender gap at 6.3 out of a maximum score of 10.

“When it comes to delivering retirement outcomes for women, the system rates poorly on gender, particularly when compared to other key performance measures such as adequacy and coverage,” Mr Garcia said.

Mr Garcia said AIST – which had long argued for policy reforms to improve retirement outcomes for women – would continue to urge the Government to prioritize the examination of the super tax concessions as part of the current Tax Inquiry.

Improved targeting of the superannuation tax concessions was recognised as one of the most effective ways to address the gender savings gap by the many stakeholders who attended the AIST-Women in Super inaugural Women’s Super Summit last year.

“The current system of tax concessions is stacked in favour of high income earning, well-off males,” said Mr Garcia. “The tax inquiry is a timely opportunity to address this.”

Mr Garcia said it was disappointing that the only super taxation change supported by the Government was to withdraw the Low Income Super Contribution (LISC) in 2017 and delay the much-needed increase in the Super Guarantee to 12 per cent.

AIST continues to campaign for the retention of the LISC which means that all Australian workers who earn \$37,000 per annum or below – 2.1 million of whom are women – receive a ‘rebate’ of the tax paid on their super contributions.

### AIST-Mercer Super Tracker scores

(key areas for improvement highlighted blue)

Indicator	Score out of ten
Net retirement income for median income earners	8.5
Equity measure of government support (Tax concessions & Age Pension)	4.8
Gender gap	6.3
Coverage of superannuation	7.9

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*AIST is the peak industry body for the \$650 billion not-for-profit super sector which includes industry, corporate and public sector funds.*