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LABOR'S SUPER PROPOSALS AN IMPORTANT STEP IN MAKING SUPER FAIR FOR WOMEN

National superannuation advocacy group, Women in Super, welcomes the announcement by the Leader of the Opposition, Bill Shorten, that Labor will introduce Superannuation Guarantee (SG) payments on the 18 weeks of Government Paid Parental Leave (PPL) and phase out the \$450 monthly pay threshold for eligibility for super (SG) payments.

Chair of Women in Super, Cate Wood said Labor's changes would improve retirement outcomes for thousands of women and was an important step in bridging the super gender gap at retirement.

"Introducing super on paid parental leave and removing the \$450 monthly earning threshold are two key planks of the Women in Super 'Make Super Fair' campaign and key recommendations of the Senate Inquiry into Economic Security for Women in Retirement," Ms Wood said. "We are also pleased that the Opposition has committed to consider the impact that any future changes to super would have on women."

Impact of the Super Gender Gap:

- Women currently retire with an average of 47%, or \$85,000, less super than men
- It is estimated that more than 40% of older single women live in poverty
- The fastest growing cohort of homeless people is older single women
- Women are more dependent on the Age Pension than men.

"Women in Super has prioritised a small number of superannuation policy changes that are key to recalibrating the system to ensure that it does not continue to produce the same distorted gender-based outcomes," Ms Wood said. "It is heartening to see the Opposition addressing the problem – in particular seeking to close gaps where women are denied superannuation contributions."

Ms Wood noted it had been extremely frustrating to see recent government changes to the superannuation system return money to the government without commensurate expenditure on changes guaranteed to lift superannuation outcomes for the most vulnerable women.

"The changes announced today will help reverse the current trend where women are retiring into poverty and homelessness," Ms Wood said.

Why is the super gap so large?

PAY GAP: The pay gap between men and women has been around 16-18% on average for the last two decades. This compounds to a far larger gap of 47% in retirement savings for most women.

TIME OUT OF PAID WORKFORCE: The shortage of retirement savings for women is the result of a lifetime of lower wages and because women are required to take time out of the paid workforce to care for others. The onus shouldn't be on women to fix the problem, especially when most don't have the means to do so. Government action is needed to make super fairer for women because

super is linked to wages, this not only results in fewer and lower super contributions, but also a loss of compounding returns.

UNFAIR TAX CONCESSIONS: Tax concessions on super, the primary form of government support for super savings, aren't fair. Women have lower super balances and worse retirement outcomes yet receive just a third of government tax concessions on super. Men have higher incomes and super balances and receive two thirds of government tax concessions on super. There is a structural unfairness in the way tax concessions are distributed – the bottom 30% of income earners (who are mostly women) get nothing while the top 20% of income earners get \$10,000 - \$15,000 on average every year.

MORE POLICY REFORM NEEDED: A key plank of WIS's policy platform is to provide low income earners with low balances an additional \$1000 annual contribution to address this structural imbalance in government support for women's retirement savings. For more information about the Make Super Fair campaign, visit www.makesuperfair.com.au.

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Women in Super is a national advocacy and networking group for women employed in the superannuation and wider financial services industries, and advocates on behalf of its members and women generally to improve women's retirement prospects and access to superannuation.