



30 January 2020

**Submission to the Review of the Australian Retirement Income System**

**From: The Work + Family Policy Roundtable**

Retirement Income Review Secretariat  
The Treasury  
Langton Crescent  
PARKES ACT 2600

[retirementincomereview@treasury.gov.au](mailto:retirementincomereview@treasury.gov.au)

**The Work and Family Policy Roundtable (W+FPR) is pleased to make a brief submission to the current review of the Australian Retirement Income System.**

The W+FPR is a network of 34 academics from 17 universities and research institutions with expertise on work, care and family policy. Its goal is to propose, comment upon, collect and disseminate research to inform good evidence-based public policy in Australia. Our membership and the policy principles that inform our work are set out in Appendix 1 to this submission.

The W+FPR held its first meeting in 2005. Since then the W+FPR has actively participated in public debate about work, care and family policy in Australia providing research-based submissions to relevant public inquiries, disseminating current research through publications for public commentary and through the media. We have also produced five sets of Federal Election Benchmarks. In each set of these Benchmarks we have called on the incoming Federal government to advance policies that enhance households' ability to combine work and care responsibilities. In our 2019 Federal Election Benchmarks (See <https://www.workandfamilypolicyroundtable.org/>) we identified eight priority policy areas: investment in care infrastructure; paid leave to care; decent working time and job security; sustainable high-quality care services; good quality jobs for the care workforce; gender pay equality; safe workplaces; and institutional support for work and care. **All of these policy goals underpin the provision of a decent retirement income system that will address gender inequality in retirement incomes.**

Women approach their senior years with more care responsibilities (for grandchildren, partners and parents) than do men, and fewer assets (such as superannuation, housing, and other savings). They are more dependent upon the aged pension than men, and they are especially vulnerable to housing stress, particularly if they are single. Although retirement policy is a lively area of policy debate in Australia, there is little focus on the challenges facing working carers. Unfortunately, it remains the case that for many women, the legacy of a lifetime of care (often combined with paid work) is an old age of economic insecurity and often poverty.

Structural inequalities in women's paid and unpaid work are well documented and reflected in national data showing that many more women than men have no superannuation, and women's average balances remain at just over half of men's. There is no easy solution to this gap in the superannuation pipeline given its **origins in the persistent gender pay gap, women's fewer years in paid employment and their high levels of part-time work**. Small top-ups for low income workers, mostly women, will not make much difference. What will make a difference to women's security in older age is **maintaining a liveable aged pension** as a cornerstone of Australia's retirement system, at a level that allows those eligible to live with dignity in their old age (for example by continuing to index to increases in average earnings) and significantly **reducing the tax benefits of superannuation that favour higher income earners** and therefore men, more than women.

The W+FPR has a strong interest in policy measures to address the gendered nature of the retirement income system and the contribution of inadequate care infrastructure and decent work for those who need to manage work and care responsibilities. There have been a plethora of government and other inquiries that have examined various facets of gender inequality in Australia including those directly related to Australia's retirement income system. The most recent of these inquiries was the 2016 Senate Economics References Committee Inquiry which produced the report: *A husband is not a retirement plan: Achieving economic security for women in retirement*. We note, however, that very few of the recommendations of this inquiry or other such relevant inquiries have been taken up by government.

One of the W+FPR's key experts on retirement income and superannuation, Professor Siobhan Austen and her colleagues in the Women in Social & Economic Research (WiSER) group have made a submission to the Retirement Income Review. This submission provides an important summary of the most up-to-date research that highlights the systematic gender inequality embedded in Australia's retirement income system. This gender inequality reflects gender gaps in wage rates, work hours and participation in paid work over the life course and the neglect in Australia of decent care infrastructure and policies to enable enhance households' ability to combine work and care responsibilities.

One of the key findings of the WiSER analysis is the **fundamental role the Age Pension provides in ameliorating gender equality**. As the WiSER submission puts it, 'The Age Pension, however, remains the best mechanism for both equalising men's and women's incomes in retirement, both within and across households, and for acknowledging and rewarding both paid and unpaid contributions to the provisioning of community needs.'

The W+FPR supports the recommendations by WiSER, in particular the need to:

- Ensure that any evaluation of the retirement income system is gender-sensitive, and that all policy settings reflect and respond to the needs and circumstances of older women.
- Value and support both paid and unpaid contributions to the provisioning of societal needs. This is key in achieving equity, efficiency and sustainability in the retirement income system.
- Ensure the Age Pension continues to play its vital role in ensuring adequate retirement incomes for all older Australians.
- Buttress the Age Pension pillar to help ameliorate gender inequality and to support outcomes for single older women, an especially vulnerable group in our community
- Rein in the tax expenditures on superannuation, especially the expenditures that flow to high earners and wealth holders.
- Increase the intra-household transparency of partners' superannuation accounts and their decision-making on superannuation. Following best practice in the financial planning sector, at a minimum, individuals should have oversight of their partners' account balance, insurance settings, binding death nominations, and withdrawals that exceed a set limit or proportion of the fund.

Yours Sincerely,



Associate Professor Elizabeth Hill  
Co-convenor W+FPR



Professor Sara Charlesworth  
Co-convenor W+FPR

## Appendix 1

### Australian Work + Family Policy Roundtable Members

- Dr Elizabeth Adamson, UNSW
- Prof Siobhan Austen, Curtin University
- Prof Marian Baird, University of Sydney
- Prof Donna Baines, University of Sydney
- Dr Dina Bowman, Brotherhood of St Laurence / University of Melbourne
- Adjunct Dr Michelle Brady, University of Melbourne
- Dr Wendy Boyd, Southern Cross University
- Emeritus Prof Deborah Brennan, University of New South Wales
- Emeritus Prof Bettina Cass, University of New South Wales
- Prof Sara Charlesworth, RMIT (co-convenor)
- A/Prof Kay Cook, RMIT University
- Dr Amanda Cooklin, La Trobe University
- Prof Rae Cooper, The University of Sydney
- Adjunct Prof Eva Cox, Jumbunna Indigenous House of Learning (UTS)
- Prof Lyn Craig, University of Melbourne
- A/Prof Marianne Fenech, University of Sydney
- Emeritus Prof Suzanne Franzway, University of South Australia
- Prof Beth Goldblatt, UTS
- Dr Myra Hamilton, University of NSW
- Alexandra Heron, University of Sydney
- A/Prof Elizabeth Hill, University of Sydney (co-convenor)
- Dr Jacquie Hutchinson, University of Western Australia
- Adjunct A/Prof Debra King, Flinders University
- Dr Fiona Macdonald, RMIT
- Prof Paula McDonald, Queensland University of Technology
- A/Prof Jill Murray, La Trobe University
- Adjunct Prof Frances Press, Charles Sturt University
- Prof Alison Preston, University of Western Australia
- A/Prof Leah Ruppner, University of Melbourne
- A/Prof Belinda Smith, University of Sydney
- A/Prof Meg Smith, Western Sydney University
- Prof Miranda Stewart, University of Melbourne
- Prof Lyndall Strazdins, Australian National University
- Prof Gillian Whitehouse, University of Queensland

## **W+FPR Policy Principles**

The aim of the Australian Work + Family Policy Roundtable is to propose, comment upon, collect and disseminate relevant policy research in order to inform good, evidence-based public policy in Australia.

The Roundtable believes work, care and family policy proposals should be guided by sound policy principles which:

- Recognise that good management of the work-life interface is a key characteristic of good labour law and social policy;
- Adopt a life-cycle approach to facilitating effective work-family interaction;
- Support both women and men to be paid workers and to share unpaid work and care;
- Protect the well-being of children, people with disabilities and frail older people who require care;
- Promote social justice and the fair distribution of social risk;
- Ensure gender equality, including pay equity;
- Treat individuals fairly, regardless of their household circumstances;
- Ensure sustainable workplaces and workers (e.g. through 'do-able', quality jobs and appropriate staffing levels);
- Ensure predictable hours, earnings and job security;
- Ensure flexible working rights are available in practice, not just in policy, to all workers through effective regulation, education and enforcement;
- Facilitate employee voice and influence over work arrangements;
- Recognise and support the ongoing need for income support where earnings capacities are limited by care responsibilities or other social contributions;
- Recognise the particular cultural and social needs of groups who have been excluded and discriminated against, such as Indigenous peoples and newly arrived migrants and refugees, who may require diverse responses to participate effectively; and
- Adopt policy and action based on rigorous, independent evidence.

Informed by these principles, the W+FPR will advance public debate and policy initiatives that promote a secure and living wage for workers; reasonable work hours and working time; appropriate and adequate leave provisions; quality care services; a fair tax and benefits regime and other measures that assist workers and carers to better combine these two spheres of essential human activity.