



*Submission to the Senate Standing Committee  
on Economics regarding  
Economic security for women in retirement*

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## **INTRODUCTION**

1. The Shop, Distributive and Allied Employees' Association (SDA) is one of Australia's largest trade unions with over 215, 000 members. The majority of these members are women and young people. Approximately 60% of SDA members are women, equating to approximately 131,000 women. The SDA has membership in retail, fast food, warehousing, hairdressing, pharmacy and modelling.
2. The SDA welcomes the opportunity to make a submission to the Senate Standing Committee on Economics regarding the Economic Security for Women in Retirement.
3. The SDA supports the submission of the ACTU.

## **OVERVIEW**

4. The SDA believes that every individual and family has a fundamental human right to live decently and with dignity and this right should be afforded to everyone regardless of gender.
5. Current research shows that 90% of women will retire with inadequate retirement savings and that in 2010 one in five women yet to retire had no superannuation at all<sup>1</sup>. As a result many women who have spent their life in both paid employment and in vital unpaid caring roles will live in poverty or will be unable to live comfortably throughout their retirement.
6. Many of the issues around gender inequality in wages and retirement incomes are due to cultural, societal and workplace norms. Cultural change is difficult and change such as this often requires generational change. Until such change is achieved measures must be introduced to recognise and address the imbalance in the economic outcomes for women, and in particular the causes relating to the gender pay gap and inequality in retirement savings for women. Without the introduction of a range of measures to address this more generations of Australian women will be left behind.

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<sup>1</sup> ANZ, *ANZ Women's Report: Barriers to Achieving Financial Gender Equity*, July 2015, p 64.

7. In a recent report by the ANZ; *ANZ Women's Report*, Senator, the Hon Michaelia Cash said;

*'The barriers to women's financial security are underpinned by deep-seated cultural norms which exist in our boardrooms and around our kitchen tables'<sup>2</sup>*

8. The previous Sex Discrimination Commissioner of the AHRC, Elizabeth Broderick also said;

*'The report shows that there are many deep-seated and complex issues at play in the persistence of inequality. It illustrates how the gendered nature of career choices and caring responsibilities work against women's economic potential. It also brings to life the discrimination and structural bias that advantages men in our workplaces and in retirement savings'.<sup>3</sup>*

9. The current superannuation system relies on a model designed around paid work based on full time continuous employment. This model inherently discriminates against women who are more likely than men to have had interrupted work patterns due to unpaid caring responsibilities and are more likely to be employed in part-time or casual work, while they balance work and family and caring responsibilities.
10. The current system doesn't adequately accommodate modern working patterns such as part-time and casual employment and time out of the paid workforce which all impact disproportionately on women. The system also fails to account for the gender pay gap. Framing the superannuation system on a model of full-time continuous employment and linking it to engagement in paid work and level of earnings is discriminatory against women and carers and further entrenches systemic gender inequality in the retirement savings outcomes for women.
11. Governments need to recognise the structural differences in the employment life cycle for men and women and introduce measures which reflect this. A system which values the contribution of unpaid caring is needed to ensure improvements in the economic security of women.

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<sup>2</sup> ANZ, *ANZ Women's Report: Barriers to Achieving Financial Gender Equity*, July 2015, Forward and p 1.

<sup>3</sup> *Ibid*, Forward and p 1

12. In order to address these structural differences, a range of measures need to be introduced which cut across a number of policy areas. In particular, much more needs to be done to prevent workplace discrimination against women particularly when pregnant, returning to work from parental leave and those with caring responsibilities. Caring for children, elderly parents and family members with a disability or chronic illness, is still predominantly undertaken by women. Without acknowledging this and ensuring adequate measures are in place to prevent discrimination, the gender divide in incomes, and retirement savings, will continue.

13. The SDA believe that a raft of measures must be adopted to address barriers to women's participation in the paid workforce, the gender pay gap and the economic disadvantage women suffer in retirement. Women's participation in both paid employment and unpaid caring responsibilities must be genuinely acknowledged and reflected in meaningful policy outcomes to ensure that women are not relegated to a life of poverty and distress in their retirement years.

## **SDA RECOMMENDATIONS**

### **RECOMMENDATION 1**

Legislate for payment of superannuation on paid and unpaid parental leave.

### **RECOMMENDATION 2**

Periods of unpaid parental leave (and any paid parental leave) should be recognised as active service.

### **RECOMMENDATION 3**

Extend paid leave entitlements for carers.

### **RECOMMENDATION 4**

Provide adequate funding to ensure universal access to quality, affordable and varied childcare arrangements which suit a range of occupations and industries taking into account workers who may not work full day shifts and are unable to pay for a full day of care on the limited wage they receive.

## **RECOMMENDATION 5**

The government should make superannuation contributions on behalf of carers who are recipients of Carer Payments or Allowances or Family payments.

## **RECOMMENDATION 6**

Implement the following recommendations arising from the *Australian Human Rights Commission: Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014* to assist the prevention and elimination of discrimination against women to enable women's full participation in the workforce:

- Amending the ***Sex Discrimination Act 1984 (Cth) (SDA)*** to:
  - Extend the discrimination ground of 'family responsibilities' under the SDA to include indirect discrimination
  - Include a positive duty on employers to reasonably accommodate the needs of workers who are pregnant and/or have family responsibilities
  
- Strengthen the 'right to request' provisions under s65 of the ***Fair Work Act 2009 (Cth) (FWA)*** by:
  - Removing the qualification requirements in section 65(2)(a) of the FWA (ie the requirements for 12 months service)
  - Introducing a positive duty on employers to reasonably accommodate a request for flexible working arrangements
  - Establish an appeals process through the Fair Work Commission for decisions related to s65 of the FWA, the right to request flexible working arrangements. This appeals process should not only address procedure, as recommended by the AHRC, but should include the ability for employees to appeal an employer's decision to refuse the request.
  
- Clarify the provisions under the ***NES*** of the FWA to:
  - Allow employees to use existing personal leave entitlements under s97 of the FWA to attend prenatal appointments.
  - Allow employee breaks from work for the purposes of breastfeeding or expressing.

#### **RECOMMENDATION 7**

Assess the adequacy of the age pension.

#### **RECOMMENDATION 8**

Assess the proportion of the single pension compared with couples.

#### **RECOMMENDATION 9**

Employers should make superannuation contributions whilst employees are on workers compensation.

#### **RECOMMENDATION 10**

Remove the \$450/month threshold for the payment of the Superannuation Guarantee.

#### **RECOMMENDATION 11**

Fully restore the Low Income Superannuation Contribution (LISC).

#### **RECOMMENDATION 12**

Consider options to boost women's superannuation.

#### **RECOMMENDATION 13**

Provide a mechanism for couples who have superannuation accounts which can be converted to pension accounts to amalgamate the accounts at the point of retirement so each can receive a pension from the joint account.

#### **RECOMMENDATION 14**

Implement fairer tax arrangements to remedy the gap in superannuation during unpaid work.

#### **RECOMMENDATION 15**

Ensure proper investigation and compliance of unlawful industrial practices especially non-payment of super.

## **RECOMMENDATION 16**

Ensure a genuine safety net of terms and conditions of employment which particularly impacts on women who are more award and minimum wage reliant.

14. We will address our recommendations further in the last section of this submission in response to (v) of the terms of reference requesting what measures would assist.
15. We will now address the specific terms of reference as outlined by the Senate Committee.

## **THE IMPACT INADEQUATE SUPERANNUATION SAVINGS HAS ON THE RETIREMENT OUTCOMES FOR WOMEN:**

16. Research shows that 90% of women will have inadequate retirement savings and that many women are retiring into poverty. 29% of women over 65 years living below the poverty line.<sup>4</sup>
17. A greater proportion of women rely on the age pension with little or no other form of income. 37% of women report having no personal income at the age of retirement<sup>5</sup>.
18. Due to financial necessity women are often forced to work beyond an age they would like to or are capable of. As the union which represents employees working in retail, hairdressing and beauty, pharmacy and warehousing we have many members who continue to work well beyond 65 and 70 years of age. Most of these members do so due to economic necessity and as a means of achieving an income to allow them to live with dignity.
19. Many women report that they will have to rely on the retirement income of their partner. In the ANZ Women's Report 44% of women reported 'partner's income' as their main source of funds for meeting living costs. Traditionally men have been

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4 Industry Superannuation Australia, *The gender superannuation gap - without policy action now, women will retire with far less than men for decades to come*, Media Release 10 March 2015

<sup>5</sup> Ibid. p 9

the primary breadwinner and women have relied on their husband/partner's income and therefore superannuation.

20. The assumption that women have access to a partner's superannuation is no longer a reliable means of providing economic security for women. For many reasons such as the growth in divorce rates, death of a partner and changes in relationship patterns, women can no longer rely on a partner for economic security in retirement.
21. Superannuation is often the second largest asset after the family home and given the gap in the superannuation accounts of men and women this has significant implications for women's retirement outcomes where they may not have a partner in retirement.
22. Single women are most likely to rely on the full age pension as their sole source of income and are at the greatest risk of ongoing poverty after retirement<sup>6</sup>. In 2014 ACOSS found that single mothers comprise the majority of sole parents and are one of the most at-risk groups, with 33% said to be living in poverty<sup>7</sup>.
23. Financial abuse and control is one of the many forms of domestic violence used against women and domestic violence is one of the biggest causes of homelessness for women. The ability to save through superannuation is essential for women who may be experiencing domestic violence as this would be one of the only avenues available to have independent control over savings. Dependence on a partner's income in retirement when living in a violent relationship would make it even more difficult for a woman to escape family violence.
24. Another factor contributing to the gap in economic security for women in retirement is that women on average live 5 years longer than men<sup>8</sup> therefore the lump sum at retirement has to be spread over a longer period reducing the annual income throughout retirement.

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<sup>6</sup> Australian Human Rights Commission, *Accumulating poverty? Women's experiences of inequality over the lifecycle*, 2009, p 4

<sup>7</sup> ACOSS, *Poverty in Australia*, 2014

<sup>8</sup> OECD2014 Society at a glance 2014 – OECD Social Indicators, March 2014, p 2

25. ACOSS found that women are more likely to live in poverty than men due to the fact that women tend to have lower employment outcomes and wages; are more likely to be in unpaid caring roles; and have lower investment incomes in retirement<sup>9</sup>. Currently, 29% of women over 65 years are living below the poverty line.<sup>10</sup>

26. Living in poverty has devastating consequences on the individual, the community and society. It is unacceptable that our current system of retirement results in women being forced to live in poverty in their retirement years; unable to afford basic utilities, adequate food and health care.

## **THE EXTENT OF THE GENDER RETIREMENT INCOME GAP AND CAUSES OF THIS GAP, AND ITS POTENTIAL DRIVERS INCLUDING THE GENDER PAY GAP AND WOMEN'S CARING RESPONSIBILITIES:**

### **i. Extent of retirement income gap**

27. Average superannuation balances at the time of retirement in 2011-2012 were \$197,000 for men and \$105,000 for women representing a 46.6% gap in superannuation at retirement<sup>11</sup>.

28. The ability for women to accumulate wealth is hindered by the gender pay gap which currently sits at 18.8%. This gap means that full-time working Australian women earn on average \$295 per week less than men or \$15,000 a year. Extended over a typical 45-year career, the gap equates to about \$700,000<sup>12</sup>. Gaps increase over time and become wider in older age.

29. For retail workers there is no significant difference in wages between men and women however, the problems arise from different working patterns between men

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<sup>9</sup> ACOSS, *Poverty on Australia*, 2014

<sup>10</sup> Industry Superannuation Australia, *The gender superannuation gap - without policy action now, women will retire with far less than men for decades to come*, Media Release 10 March 2015

<sup>11</sup> Association of Superannuation Funds of Australia Resource and Research Centre, *An update on the level and distribution of retirement savings*, March 2014, p 3

<sup>12</sup> *Ibid*, p 6

and women including interruptions in paid employment and a significant number of women working part-time and casual.

30. Women fare more poorly than men over the lifetime earnings regardless of the level of education and this is compounded by any amount of time spent in unpaid or part-time work.<sup>13</sup>

31. In the recent ANZ Women's Report, 37% of women report having no personal income at the age of retirement<sup>14</sup>.

**ii. Potential drivers:**

Gender pay gap

32. Despite the increase in the participation of women in the workforce, little has changed to the cultural norm widely accepted in Australia that women undertake the caring responsibilities for children, elderly parents, and family member with a disability.

33. Interruptions in paid employment, working in low-paid sectors and working on a part-time and/or casual basis in order to balance work and family/caring responsibilities has a significant impact on the level of income a woman receives compared to men. Women spend more time than men in the unpaid workforce as carers, often for long periods and when career and earnings potential, and superannuation, is at its highest.

34. Men spend more time in the paid workforce and therefore have a greater capacity to increase their wage, lifetime earnings and superannuation accounts.

35. The gender pay gap which is currently 18.8% widens throughout a women's lifecycle and exists despite the fact that in Australia more girls complete a high school education and in 2014, 12% more women aged between 25 and 29 years than men in the same age group had a bachelor degree or above<sup>15</sup> There is even a gender pay gap in the starting salaries of graduates with men earning 4.4% more

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<sup>13</sup> AMPNATSEM, *Smart Australians: Education and Innovation in Australia*, p 30

<sup>14</sup> ANZ, *ANZ Women's Report: Barriers to Achieving Financial Gender Equity*, July 2015, p 9

<sup>15</sup> ANZ, *ANZ Women's Report: Barriers to Achieving Financial Gender Equity*, July 2015, p 10-11

than women.<sup>16</sup> For 15-19 year olds the pay gap is 0.3% rising to 21.8% for 35-44 year olds and 24 % for those aged 45-54.<sup>17</sup>

36. Another contributing factor is the discrimination experienced by women particularly during pregnancy, parental leave and return to work from parental leave. Discrimination during this time has a significant detrimental effect on the career and employment opportunities of women which impacts severely on earnings capacity in the short and long term.

37. The Australian Human Rights Commission, *Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*, found that 'women who reported being demoted or denied promotions, pay rises or access to training, effectively had their career opportunities abruptly halted by their employers or managers'<sup>18</sup>.

#### Wage penalty – interruptions in employment

38. Research shows that any interruption to paid employment when women have a child has a significant impact on the gender pay gap and on women's superannuation savings. Women generally have the break at a critical time in their career which impacts on their ability to access development and promotion opportunities which are often lost when they return to work. 'The human capital and earnings disadvantages that women incur at this point in their lives seriously jeopardise their ability to recover earnings over the long term and have adverse implications for their ability to prepare for retirement'.<sup>19</sup> Women who have a break to have a baby incur a 'wage penalty' whether they return to work part-time or full-time in the form of lower wage growth.<sup>20</sup>

39. It is an unfortunate and misguided society when having a child has a negative financial impact on the superannuation balances of women. The Association of

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<sup>16</sup> Ibid, p 36

<sup>17</sup> Ibid, p32

<sup>18</sup> The Australian Human Rights Commission, *Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*, p 79

<sup>19</sup> ANZ, *ANZ Women's Report: Barriers to Achieving Financial Gender Equity*, July 2015, p 42

<sup>20</sup> Ibid p 54

Superannuation Funds Australia estimates working mothers can accumulate a 'super baby debt' of as much as \$50,000 over their working lives<sup>21</sup>.

40. The Australian Human Rights Commission, *Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*, which will be discussed further in this submission found that 'Research into unpaid care has highlighted that Australia's superannuation system is designed around male patterns of workforce participation. Interrupted patterns of work are a key barrier for mothers with young children trying to accumulate sufficient super<sup>22</sup>.

### Part-time/casual

41. There has been a major structural change in the labour market with an almost 20% increase in Australia's part-time workforce. 'Part time work has become an important form of employment growing from 10 per cent of total employment in 1966 to 29 per cent in 2007'<sup>23</sup> The increase in the proportion of women working part-time has also significantly increased. In 1966, part time employment accounted for 4 per cent of men's employment, 24 per cent of women's employment and 10 per cent of employment overall (figure 1). By 2007 part time employment accounted for 15 per cent of men's employment, 45 per cent of women's employment, and 29 per cent of employment overall<sup>24</sup>.
42. Many women work part-time or casual in order to balance their family and caring responsibilities. This is particularly prevalent when women return to work after having a child. The most popular age group amongst the part-time workforce over the past 30 years has consistently been women in child-rearing years of 35-44. Women currently make up 35 per cent of full-time workers and 70 per cent of part-time workers, while men make up 65% and 35%, respectively<sup>25</sup>.

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<sup>21</sup> Association of Superannuation Funds Australia, Super Guru: Super Baby Debt

<sup>22</sup> Australian Human Rights Commission, *Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*, p 79

<sup>23</sup> Abhayaratna, J., Andrews, L., Nuch, H. and Podbury, T. 2008, Part Time Employment: the Australian Experience, Staff Working Paper, Productivity Commission, p XVI

<sup>24</sup> Ibid, pXVIII

<sup>25</sup> Ibid, p 18

43. The retail industry, which employs a high proportion of women, has a large number of part-time and casual employees, with 65% of employees working part-time. Retail comes second to the accommodation and food services sector (at 68%) for having the highest incident of part-time employment and 41% of employees engaged as casuals.<sup>26</sup>
44. The need to work less and more flexible hours in order to manage caring responsibilities results in the majority of women needing to work on a part-time or casual basis. The impact of this is often not being able to work in the position held prior to parental leave and therefore accepting a position which attracts a lower rate of pay.
45. Part-time and casual employment also impacts on the earnings capacity of women and therefore on the rate at which superannuation accumulates. As it is paid on the level of earnings contributions are reduced during periods of part-time and casual employment.
46. Due to the \$450 a month SG threshold around 250,000 Australians miss out on superannuation, most of them are women working in part-time or casual employment<sup>27</sup>. It has been estimated that approximately 11% of employed women are ineligible for superannuation payments as a result of this. This is a contributing factor to women's low retirement savings and also contributes to the 1 in 5 women who don't have any superannuation at all.
47. It must also be noted that women do not always get a genuine choice about working part time or casual. As discussed later in this submission, women are subjected to widespread discrimination, particularly when pregnant or returning to work after the birth of a child. The effect of which is often women being forced to accept casual or reduced hours of work rather than being employed with security in the manner they would prefer.

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<sup>26</sup> Ian Watson, *Employee Earnings in the National Retail Industry: A report for the Shop Distributive and Allied Employees Association*, p 5

<sup>27</sup> Ross Clare, *An update on the level and distribution of retirement savings*, The Association of Superannuation Funds of Australia, March 2014, p 3

## Low paid employment

48. Nearly half of all women employed in Australia work in only three sectors: healthcare, retail and education.<sup>28</sup> Historically, female dominated industries and jobs have attracted lower wages than males-dominated industries and jobs. Working in low paid jobs has a significant impact on lifetime earnings, superannuation savings and a decent standard of living in retirement. As superannuation is paid on the level of earnings this greatly contributes to the gender gap in retirement savings.

49. Measures need to be introduced to remedy this and provide greater improved superannuation outcomes for low paid employees.

50. **The SDA recommends that the first thing the government should do to remedy this is to fully restore the Low Income Superannuation Contribution (LISC) which is scheduled to be repealed in 2017.** The recent Australian Institute of Superannuation Trustees Women's Super Summit acknowledged the LISC as 'a much-needed equity measure that will benefit more than half of the Australian female workforce'<sup>29</sup>. The government's plans to cut the LISC will result in 3.6 million Australians losing up to \$500 per year and 2.2 million of those are women.

51. The Australian Institute of Superannuation Trustees said;

*'the LISC was one of the best policy measures since compulsory superannuation was introduced, the scheme corrected a long-standing tax anomaly in the super system. The scheme isn't about a hand-out or welfare: it's about righting a wrong and that low-income earners are entitled to a tax benefit on their compulsory super contributions just like the other two thirds of working Australians'*<sup>30</sup>

52. The Association of Superannuation Funds of Australia also reported that 'less positive for women going forward is the proposed abolition of the Low Income

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<sup>28</sup> ANZ p 25

<sup>29</sup> Australian Institute of Superannuation Trustees, Women in Super Summit Report, 2014, p 34

<sup>30</sup> Australian Institute of Superannuation Trustees, Media Release 31 October 2013

Superannuation Contribution, with substantially more women than men currently the benefit of that government payment<sup>31</sup>

53. Removing the LISC is a regressive measure and will significantly impact the retirement savings for low income workers. This also negatively targets women as they are predominately the recipients of this benefit.
- 54. The SDA strongly recommends that the government fully restore the LISC as this measure is clearly successful as a means to addressing the gender gap in retirement savings.**
- 55. The SDA also recommends that superannuation tax incentives be introduced to increase the retirement savings for women and low income earners. Tax measures should not be implemented in isolation but as part of a range of measures especially as tax incentives are not always accessible to low-income earners who lack the spare disposable income to contribute to superannuation.**

#### Employment discrimination

56. A key element behind the gender pay gap, and consequently the retirement pay gap, is the fact that women still experience widespread discrimination in their working lives. One key example of the discrimination experienced by women is in the area of pregnancy and returning to work after the birth of a child. In 2014 the AHRC conducted a national inquiry into the nature and prevalence of pregnancy and return to work discrimination. 'Overall, the Survey's findings demonstrate that discrimination towards pregnant employees and working parents remains a widespread and systemic issue which inhibits the full and equal participation of working parents, and in particular, women, in the labour force<sup>32</sup>.

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<sup>31</sup> Association of Superannuation Funds of Australia Resource and Research Centre, *An update on the level and distribution of retirement savings*, March 2014, p 15

<sup>32</sup> Australian Human Rights Commission, *Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*, p 8.

57. 'Despite longstanding prohibitions against pregnancy/return to work discrimination, the National Review found that it is pervasive. One in two (49%) mothers reported experiencing discrimination in the workplace at some point'<sup>33</sup>.
58. Women experienced different types of discrimination in the workplace ranging from 'negative attitudes and comments from colleagues and managers, through to loss of opportunities for further training and career advancement, reduction in pay and conditions, as well as redundancy and job loss'<sup>34</sup>.
59. The discrimination was found to have had 'significant short-term and long-term negative impacts on individuals and their families, including effects on their mental and physical health and long-term career advancement and earning capacity. Some groups of individuals, such as sole parents and young mothers, may face particular vulnerabilities and more acute consequences'<sup>35</sup>.
60. The National Review also found that:

*'discrimination has a tangible impact on women's workforce participation as the experiences of discrimination in the workplace during pregnancy influence whether women return to work following the birth of their child – 32% of all mothers who were discriminated against at some point went to look for another job or resigned. Further, almost one in five (18%) mothers indicated that they were made redundant or that their jobs were restructured, that they were dismissed or that their contract was not renewed during their pregnancy, when they requested or took parental leave, or when they returned to work. Such discrimination, particularly where it results in job loss or the withdrawal from the workforce, can have significant long-term effects'*<sup>36</sup>.

61. The SDA made a substantial submission to the AHRC National Review on behalf of our members who too frequently experience discrimination during pregnancy and when returning to work from parental leave. For our members the discrimination results in many being unable to negotiate suitable flexible return to

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<sup>33</sup> Australian Human Rights Commission, *Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*, p 8.

<sup>34</sup> *Ibid*, p 8

<sup>35</sup> *Ibid*, p 8

<sup>36</sup> *Ibid*, p 8

work options which incorporate their caring responsibilities often forcing them to accept less hours than they would like to work or are able to live on financially.

62. Many of our members are also forced by their employer to change their employment status from permanent to casual in order to continue their employment. This was particularly prevalent for members who worked in management positions who were not allowed to return to their management role on reduced hours therefore having the combined effect of a reduction in their hourly rate, a reduction in hours and insecure employment.

63. The SDA's submission<sup>37</sup> to the AHRC National Review included 194 examples of member's experiences while pregnant, on parental leave and returning to work. The following provides some examples of where our members were forced to accept unsatisfactory changes to their employment due to discrimination:

- ***Reducing pregnant employees' hours rather than accommodate pregnancy related health issues***

A full time employee at a large national supermarket was 24 weeks pregnant and worked most of her hours at the registers. Her baby was sitting on a nerve which was causing some discomfort. Her manager said that the only solution was for her to request to **reduce her hours** and put the request in writing in a letter. At no time was she told of her options, for example, transfer to safe job, which is provided for in the Enterprise Agreement. The issue was not the number of hours she worked but the problem of not being able to move around on the larger registers.

- ***Reducing the wages of female managers due to their pregnancy, demoting them, threatening them with being "performance managed out" if they don't agree to a transfer and demotion, making them casual employees with no guaranteed hours,***

"I was working for a large national supermarket and I was the Customer Service Department Manager. I had been in this role for the previous 2 years and took pride in my position and was always given positive feedback. Early in my pregnancy I suffered a lot of morning sickness and took quite a lengthy amount of time off work. I did all the right things as in utilising my personal leave and providing the appropriate medical certificates. I had a meeting with my boss and asked if it was at all possible to temporarily step down in my position just until I regained my health. The outcome was not positive. If I decided the need to step down, that would result in permanent demotion. After a few stressful days I decided it was better for me to demote myself....I had also requested to reduce my full time hours temporarily as I endured a lot of

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<sup>37</sup> Shop, Distributive and Allied Employees' Association, *Submission to AHRC Supporting Working Parents: Pregnancy and Returning to Work National Review*, February 2014

pain and swelling of my feet/legs standing for 8hr shifts, but my boss said that was not possible. I had to either do my 40hr weeks or reduce my hours permanently.”

- ***Reducing wages, demoting, and making female managers returning to work casual employees***

“The only way I got my role back was to put my daughter in day care 5 days...I found it very un-family friendly. If I wanted to keep my role I had to put (the Company) first and the family 2<sup>nd</sup>.”

- ***Refusing to allow employees to return to their previous position, or to return to all their previously rostered hours, even if they had not requested any change in their hours or days of work***

Job role I left when going on maternity leave was no longer available, when I was told I would have my job back when I returned. HR manager did not know anything about my previous work history and was going to place me in a relief team moving store to store, not suitable to my childcare needs at all. I returned to a part time position with a minimum 20 hours and was given some weeks as low as 8 hours in a part time capacity.

- ***For employees requesting to return on less hours than they had previously been rostered, refusing to allow employees to return to their previous job.***

“I returned to work doing casual hours in my previous position in the photo lab when my baby was 6 months old. I then requested to go back on to part-time on 9 hours per week. The store manager advised that I may not go back into photo lab on a part-time contract. Weeks passed and still I hadn’t gone part time. I was finally given a roster but it was on checkouts even though the hours I could have done in photos were being done by a casual. Changing my position also resulted in a drop in my hourly rate because I was on a higher grade as a trained photo lab assistant....

- ***For employees requesting to return on less hours or different days than they had previously been rostered.***

- *Forcing a reduction in total rostered hours,*

The store I worked for didn't have a place for me and the store I transferred to couldn't give me enough hours. Only now 3 months later am I getting the hours I need, despite being over qualified for the position. I was given 15 hour contract after asking for 20 hours minimum after working 40 hours a week for 5 years.

- *Forcing the employee to become casual,*

Our member was a permanent part- time employee at a large national department store, working 15 hours per week. “When I asked to come back to work, I asked if I could change to 10 hours per week permanent

part time. I was told no, you cannot. So, I had to go to casual and get .....maybe one (shift) a fortnight.”

- ***Offering rosters to employees returning to work which were outside their availability or they knew the employee would not be able to do,***

“Sorry all we have is night hours. Don’t suppose that is going to suit you is it!”

- ***Providing rosters with no set hours to employees knowing their children were in child care, which meant they were paying for child care when it was not needed***

“I was then given unpredictable shifts that changed all the time (different days/starting times) that made it extremely difficult with a small child in day care. I then had to write a letter to my boss saying that I had worked hard for the company for a few years and really wanted to continue working there but I was finding it difficult with a child in day care as you had to book in for set days. After this I was given set days I would work which was a lot better.”

64. The AHRC National Review found one in ten (11%) of the others who did not return to the workplace could not find work or negotiate return to work arrangements and one in six (16%) of those mothers who did not plan to return to the same employer did not want to return because they were replaced, fired, made redundant or their job wasn’t kept open for them.

65. One of the common themes of the AHRC National Review was the impact discrimination has on the participation of women in the workforce, that is, their decision to return to the workforce after parental leave and the capacity at which they are able to return.

66. It is widely accepted that increasing women’s participation in the workforce is vital to improving the national economy. It has been estimated that increasing women’s workforce participation in Australia by 6% could increase the national GDP by \$25 billion.<sup>38</sup>

67. ‘At last year’s G20 meeting in Brisbane, Australia committed along with other G20 members to reduce the gap in participation rates by 25 per cent by 2025. But Treasury projections published in the Intergenerational Report last week show Australia is not on track to meet this target even in 40 years. The current gap of

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<sup>38</sup> Grattan Institute, Game-changers: Economic reform priorities for Australia (2012), p 39

12.4 percentage points is projected to narrow to 11.3 percentage points by 2055, a reduction of less than 10 per cent'.<sup>39</sup>

68. The intergenerational report says 'policies to improve the availability of childcare, to encourage flexible working arrangements and to outlaw discrimination can remove barriers to greater female participation in the workforce'. In response to the report Treasurer Joe Hockey said "That's why we need to do everything we can to be as flexible and accommodating of the needs of a diverse workforce as possible" he said. "We are determined to do what we have to do to lift participation rates."<sup>40</sup>

69. Despite this, the Government has largely ignored the recommendations of the AHRC arising from the *Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*. The only recommendation the government has acted on was to create educational material for employer and employees regarding their rights and responsibilities.

70. In order to effectively eliminate workplace discrimination during pregnancy, parental leave and on return to work, legislation needs to be strengthened to better protect women from discrimination in the workplace including rights to flexible working arrangements and the requirement for employers to accommodate caring responsibilities.

71. If the Government is serious about increasing the participation of women in the workforce and taking action to reduce the gender pay gap and retirement savings gap then they must make the legislative changes necessary to protect women from discrimination in the workplace, as recommended by the AHRC.

72. Gender equality in the workplace is a critical part of achieving gender equality overall. It provides women with an equal opportunity to work and ensure lifetime economic security. Preventing discrimination against women in the workforce will not only improve participation rates but will also assist to remove the barriers to

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<sup>39</sup> The Sydney Morning Herald, *Australia won't meet female workforce participation target, Intergenerational Report shows*, 10 March 2015

<sup>40</sup> *ibid*

achieving equal pay and will have a positive impact on the long term retirement savings of women.

**73. The SDA recommends that in order to address discrimination against women in the workforce the Government as a priority needs to implement the following recommendations arising from the *Australian Human Rights Commission Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*:**

- Amending the ***Sex Discrimination Act 1984 (Cth) (SDA)*** to:
  - Extend the discrimination ground of ‘family responsibilities’ under the SDA to include indirect discrimination
  - Include a positive duty on employers to reasonably accommodate the needs of workers who are pregnant and/or have family responsibilities
  
- Strengthen the ‘right to request’ provisions under s65 of the ***Fair Work Act 2009 (Cth) (FWA)*** by:
  - Removing the qualification requirements in section 65(2)(a) of the FWA (ie the requirements for 12 months service)
  - Introducing a positive duty on employers to reasonably accommodate a request for flexible working arrangements
  - Establish an appeals process through the Fair Work Commission for decisions related to s65 of the FWA, the right to request flexible working arrangements. This appeals process should not only address procedure, as recommended by the AHRC, but should include the ability for employees to appeal an employer’s decision to refuse the request.
  
- Clarify the provisions under the **NES** of the FWA to:
  - Allow employees to use existing personal leave entitlements under s97 of the FWA to attend prenatal appointments.
  - Allow employee breaks from work for the purposes of breastfeeding or expressing.

74. Another form of employment discrimination faced by women is age discrimination. Gendered ageism is another barrier women face in relation to participating in the workforce. Women can be subject to discrimination at any point, however gender discrimination is exacerbated when women get older, including discrimination in entering the workforce and maintaining existing employment and accessing equal opportunities for development and promotion.

**iii. WHETHER THERE ARE ANY STRUCTURAL IMPEDIMENTS IN THE SUPERANNUATION SYSTEM [IMPACTING ON THE SUPERANNUATION SAVINGS GAP]:**

75. The structure of the current system relies on a model designed around paid work based on full time continuous employment. This model both directly and indirectly discriminates against women, who are more likely than men to be in part-time work, interrupted by periods on unpaid caring responsibilities. The structural differences which exist in employment for women and men must be acknowledged and measures introduced to remedy them.

76. As detailed earlier, women's workforce participation has changed over the past few decades, but it is the nature of that workforce participation that differs to men, reflected by the fact that women represent 70% of the part-time workforce. The nature of the workforce participation also differs in that women experience more breaks in employment, due to taking time away for the purposes of parental leave and/ or other extended periods of unpaid caring responsibilities. However the present superannuation system was a model built on a different perspective of workforce composition and participation. This is why the superannuation system needs to be amended to reflect the diverse contribution of women and men.

77. Women who have had interrupted working lives because they stopped paid work to raise children or attend to other caring responsibilities are generally hardest hit. It is imperative that government should address the position of those with non-standard employment careers such as those who have had interrupted work patterns in order to care for children and other family members. A system which values the contribution of unpaid caring is needed to ensure improvements in economic security for women. The current system penalises employees who exit the labour market to undertake vital unpaid caring roles.

78. The lack of superannuation contributions for periods of paid and unpaid leave associated with child bearing and caring responsibilities results in a significant short-fall in superannuation savings.

**iv. THE ADEQUACY OF THE MAIN SOURCES OF RETIREMENT INCOME FOR WOMEN:**

79. The main sources of retirement income for women are the aged pension, superannuation lump sums, annuities and income. Women have a greater life expectancy than men so are likely to live alone in retirement for longer periods and due to the inadequacy in superannuation savings are more likely to rely on the aged pension as their main source of income.

The Age Pension

80. For single women who are more likely to retire into poverty they are highly vulnerable to any fluctuation in the level of the aged pension. A further issue for single women is the proportion of the single age pension compared to the couple's age pension. Currently the single pension is 66% of the rate paid to couples. This proportion is often too low to compensate for the fact that variations in the cost of living such as utilities and rent are minimal whether you live alone or as a couple.

81. To ensure that people are not retiring into poverty the government should assess the current adequacy of the age pension with particular regard to ensuring people are able to live comfortably with a decent standard of living.

Superannuation

82. We have talked about the extent of the gender retirement gap above which shows that the current superannuation system is inadequate as a source of retirement income for women.

Income from employment

83. A greater proportion of women rely on the aged pension with little or no other form of income. 37% of women report having no personal income at the age of retirement.
84. Many women will be unable to continue to work beyond the retirement age due to various reasons whether they be personal, health or due to lack of opportunity.
85. The ability to top-up retirement savings with an income stream from employment is not a possibility for many women.

**v. WHAT MEASURES WOULD PROVIDE WOMEN WITH ACCESS TO ADEQUATE AND SECURE RETIREMENT INCOMES; INCLUDING:**

- i. ASSISTANCE TO EMPLOYERS TO ASSIST FEMALE EMPLOYEES' SUPERANNUATION SAVINGS,**
- ii. GOVERNMENT ASSISTANCE, WITH REFERENCE TO THE SUCCESS OF PREVIOUS SCHEMES, AND**
- iii. ANY POSSIBLE REFORMS TO CURRENT LAWS RELATING TO SUPERANNUATION, SOCIAL SECURITY PAYMENTS, PAID PARENTAL LEAVE, DISCRIMINATION, OR ANY OTHER RELEVANT MEASURE.**

**SDA RECOMMENDATIONS**

**Recognising the value of women's caring responsibilities and the impact this has on the gender pay gap and the gap in retirement savings by:**

**RECOMMENDATION 1**

**Legislate for payment of superannuation on paid and unpaid parental leave**

86. The government should legislate for payment of superannuation on paid and unpaid parental leave.

87. Prior to the introduction of Paid Parental Leave in 2010 the Australian Government Productivity Commission conducted an inquiry and released its report; Paid Parental Leave: Support for Parents with Newborn Children No. 47, on 28 February 2009.

88. Recommendation 2.4 of the report stated:

*There is a prima facie case that employers should fund superannuation contributions during the paid parental and paternity leave period.*

89. The SDA believes that the Superannuation Guarantee should be paid throughout parental leave whether the period is paid or unpaid.

90. Superannuation should be paid by employers where the mother is in paid employment prior to the period of parental leave. The government should fund the superannuation contribution for women not in paid employment prior to the birth of the child. Periods out of the paid workforce also have implications for future earnings.

91. Given that the maximum benefits from superannuation stem from the compounding nature of superannuation contributions, particularly contributions made early in working life, a gap in the accumulation of superannuation at this point in a woman's employment has significant lifetime earnings consequences.

92. The payment of superannuation during this critical interruption in paid employment is one vital way of changing the superannuation system to recognise the real patterns of work of women and to ensure that the lifetime superannuation savings of women are not penalised during this break in paid employment.

## **RECOMMENDATION 2**

### **Periods of unpaid parental leave (and any paid parental leave) should be recognised as active service**

93. Periods of unpaid parental leave (and any paid parental leave) should be recognised as active service, for the purposes of accruing entitlements related to annual salary increments, superannuation, personal/carers leave and LSL. The

AHRC National Review 'found that serious consideration should be given to recognising unpaid parental leave (and any paid parental leave) as active service, for the purposes of accruing entitlements related to annual salary increments, superannuation, personal/carers leave and long service leave'<sup>41</sup>.

94. Recognising periods of unpaid and paid parental leave as service for the purpose of accruing entitlements related to annual salary increments would assist in reducing the gender pay gap by ensuring that women's incomes are keeping pace with men performing the same job who haven't had to take a break in their employment to care for their new born baby.
95. Women who take a break in employment should have the same opportunity to be paid at the same rate as others performing the same job. Where salaries have increased during a period of parental leave women should return to work on the rate applicable for that job when they return, not the rate they were on when they commenced the period of parental leave.
96. As discussed in the section above periods of unpaid parental leave should be recognised for the purposes of accruing superannuation as this is vital for the accumulation of retirement savings for women and research shows that a break in employment has a significant impact on superannuation savings, which is compounded over time.
97. The SDA believes that recognising periods of unpaid and paid parental leave as service for the purpose of accruing entitlements related to personal/carers leave and Long Service Leave is also important for women, particularly when they return to work after a period of parental leave. Many of our members return to work with diminished leave entitlements at a time when they may need to access them the most to care for children.
98. Many of our members are frequently forced to access unpaid leave to attend to caring responsibilities when they return to work because they have exhausted all other forms of paid leave. This results in a reduction in pay and impacts on the level of superannuation contributions made by their employer.

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<sup>41</sup> Australian Human Rights Commission, *Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*, p 163.

99. **The SDA recommends that the government amend the Fair Work Act to recognise periods of unpaid parental leave (and any paid parental leave) as active service, for the purposes of accruing entitlements related to annual salary increments, superannuation, personal/carers leave and LSL.**

### **RECOMMENDATION 3**

#### **Extend paid leave entitlements for carers**

100. The government should extend paid carer's leave entitlements to minimise the necessity for carers to access periods of unpaid leave therefore reducing loss in pay and superannuation contributions.

### **RECOMMENDATION 4**

#### **Providing adequate funding to ensure universal access to quality, affordable and varied childcare arrangements which suit a range of occupations and industries such as taking into account workers who may not work full day shifts and are unable to pay for a full day of care on the limited wage they receive.**

101. Providing adequate funding to ensure universal access to quality, affordable childcare. One of the barriers identified by the AHRC in its national inquiry into pregnancy and return to work discrimination in regard to the participation of women in the workforce is the inadequacy of access to quality, affordable childcare with One in seven (14%) women claiming the reason they did not return to work was because they could not find childcare or thought that childcare was too expensive.<sup>42</sup>
102. For our members in retail working in an industry that operates into the night and across the weekend access to childcare is often non-existent when they need it.

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<sup>42</sup> Australian Human Rights Commission, *Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*, p 64

103. A further issue for our members who predominately work part-time is that rather than working full day shifts they are generally rostered to work shift of between 3 and 6 hours in duration.
104. The way in which childcare is structured our members are then forced to pay for a full day of child care when they only require a half day of care. For a low income worker this often means that they are only marginally better off financially by working.
105. Access to occasional care which is generally shorter is just that, occasional so there is no guarantee that access to occasional care is guaranteed or will be continuous.
106. In order to increase the participation of women in the workforce **the SDA strongly recommends that the government provide adequate quality, affordable and varied childcare arrangements which suit a range of occupations and industries such as taking into account workers who may not work full day shifts and are unable to pay for a full day of care on the limited wage they receive.**

## **RECOMMENDATION 5**

**The government should make superannuation contributions on behalf of carers who are recipients of Carer Payments or Allowances or Family payments.**

107. In order to minimise the impact of breaks in paid employment due to long term caring responsibilities the government should make superannuation contributions on behalf of carers who are recipients of Carer Payments or Allowances or Family payments (extend the SG to recipients of Carer/Family payments).
108. One of the only ways the government and society can truly recognise and value the\_caring responsibilities of women and the impact this has on the gender pay gap and the gap in retirement savings is by eliminating the financial penalty which is incurred when women leave the paid workforce.
109. In 2009 the AHRC released an issues paper examining the gender gap in retirement savings, *Accumulating poverty? Women's experiences of inequality*

*over the lifecycle*. The study found that ‘perhaps the most fundamental barrier to women’s full participation in paid work and their ability to fully benefit from the retirement income system, is the struggle to balance paid work and caring responsibilities<sup>43</sup>.

110. The report also found that there were 2.5 million carers who provided some assistance to those who needed help because of disability or age and that 71% of primary carers are women who are also commonly carers earlier in life than men. Research also indicated that approximately 25% of all Australian women in their fifties are carers of other people.<sup>44</sup> Women, therefore, can be carers at any point in their lifecycle not just when their children are young. These factors all contribute to the gender pay gap and the ability for women to accumulate savings for retirement.

111. The report found that given the low rate of the Age pension it does not properly redress women’s disadvantage in the superannuation system and does not specifically recognise or reward unpaid work.<sup>45</sup>

112. The report recommended that as a starting point in recognising and rewarding unpaid work the government should include superannuation payments on Centrelink Carer Payments, Parenting Payments and the Paid Parental Leave scheme. The report however recommended that due to the low rate of these payments this measure alone would not close the gender gap in retirement savings and further measures would need to be implemented to complement this.<sup>46</sup>

113. **The SDA recommends that one of the range of measures the government could take to recognise the unpaid work of carers is to make superannuation contributions on behalf of carers/parents who receive a Carer or Family Payment.** This will ensure that superannuation savings do not stall during this period out of the paid workforce and would make a significant impact on the superannuation savings of women.

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<sup>43</sup> Australian Human Rights Commission, *Accumulating poverty? Women’s experiences of inequality over the lifecycle*, September 2009, p 16

<sup>44</sup> Ibid, p 19-20

<sup>45</sup> Ibid, p 27

<sup>46</sup> Australian Human Rights Commission, *Accumulating poverty? Women’s experiences of inequality over the lifecycle*, September 2009, p 27

## RECOMMENDATION 6

**Implement the recommendations arising from the *Australian Human Rights Commission Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*.**

114. The Government should implement the recommendations arising from the *Australian Human Rights Commission Supporting Working Parents: Pregnancy and Return to Work National Inquiry 2014*.

115. As discussed above discrimination against women during pregnancy, parental leave and return to work is wide spread and pervasive and has a significant impact on the participation of women in the workforce.

**116. In order to address the findings of the review and the prevalence of discrimination the SDA strongly recommends that the government implement the recommendations of the AHRC.**

117. In particular the SDA believes that as a priority the following measures should be implemented which would impact on this area:

- Amending the ***Sex Discrimination Act 1984 (Cth) (SDA)*** to:
  - Extend the discrimination ground of 'family responsibilities' under the SDA to include indirect discrimination
  - Include a positive duty on employers to reasonably accommodate the needs of workers who are pregnant and/or have family responsibilities
  
- Strengthen the 'right to request' provisions under s65 of the ***Fair Work Act 2009 (Cth) (FWA)*** by:
  - Removing the qualification requirements in section 65(2)(a) of the FWA (ie the requirements for 12 months service)
  - Introducing a positive duty on employers to reasonably accommodate a request for flexible working arrangements
  - Establish an appeals process through the Fair Work Commission for decisions related to s65 of the FWA, the right to request flexible working arrangements. This appeals process should not only address procedure, as recommended by the AHRC, but should

include the ability for employees to appeal an employer's decision to refuse the request.

- Clarify the provisions under the **NES** of the FWA to:
  - Allow employees to use existing personal leave entitlements under s97 of the FWA to attend prenatal appointments.
  - Allow employee breaks from work for the purposes of breastfeeding or expressing.

## **Social Security Reforms**

### **RECOMMENDATION 7**

#### **Assess the adequacy of the age pension**

118. To ensure that people are not retiring into poverty the government should assess the current adequacy of the age pension with particular regard to ensuring people are able to live comfortably with a decent standard of living.

### **RECOMMENDATION 8**

#### **Assess the proportion of the single pension compared with couples**

119. A further issue for single women who we know are more vulnerable to retiring into poverty is the proportion of the single age pension compared to the couple's age pension. Currently the single pension is 66% of the rate paid to couples. This proportion is often too low to compensate for the fact that variations in the cost of living such as utilities and rent are minimal whether you live alone or as a couple.

## **Changes to the superannuation framework:**

### **RECOMMENDATION 9**

#### **Employers should make superannuation contributions whilst employees are on workers compensation.**

120. The government should make changes to the superannuation guarantee to ensure superannuation contributions are paid whilst employees are on workers compensation.

## **RECOMMENDATION 10**

### **Remove the \$450/month threshold for the payment of the Superannuation Guarantee**

121. To assist low income earners and women who work reduced hours due to caring responsibilities the government should remove the unfair \$450/month threshold for the payment of the Superannuation Guarantee.
122. This policy has a disproportionate impact on women who are over-represented in part-time and casual employment. As the threshold applies to each employer women who work two jobs to make up their income are missing out on superannuation contributions altogether.
123. As stated previously, 'Due to the \$450 a month SG threshold around 250,000 Australians miss out on superannuation, most of them are women working in part-time or casual employment<sup>47</sup>. This is a further superannuation policy which impacts disproportionately on women and carers and often results in women having no superannuation on retirement.

## **RECOMMENDATION 11**

### **Fully restore the Low Income Superannuation Contribution (LISC)**

124. The SDA strongly recommends that the government fully restore the Low Income Superannuation Contribution (LISC) as this is clearly a successful measure to address the gender gap in retirement savings.
125. The government's plans to cut the LISC will result in 3.6 million Australians losing up to \$500 per year and 2.2 million of those are women.
126. As discussed in paragraphs 55 to 61 of this submission it is widely accepted that the LISC was not designed as a welfare payment but to correct a long-standing tax anomaly in the super system.

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<sup>47</sup> Association of Superannuation Funds Australia, Super Guru: Super Baby Debt

## RECOMMENDATION 12

### Consider options to boost women's superannuation

127. The Fed Government should consider boosting women's superannuation. A boost to women's superannuation recognises the fact that women live longer than men and face substantial barriers to achieving adequate retirement savings such as the gender pay gap, interruptions in paid employment, increased participation in low paid and part-time and casual employment. A boost to superannuation contributions for women would help to minimise or eliminate the greater reliance women have on the age pension in retirement.
128. In the media in the week commencing 26 October 2015, Treasurer Scott Morrison flagged a potential change to the superannuation system to allow an increase in the cap on contributions people under 50 can make before they are charged at their marginal income tax rate. Morrison indicated the 'caps could be increased to allow working mothers to make greater voluntary contributions to their accounts when they return to the workforce, to make up for the break in contributions' because 'We don't want women penalised for the choices they have made earlier in life'<sup>48</sup>.
129. This policy is specifically targeted to women in well paid jobs and will not assist low paid women and women who return to work on reduced hours who do not have additional disposable income to contribute to superannuation.
130. When women return to work there is often a period of catch up financially so making voluntary contributions to superannuation at this time would not be viable for the vast majority of women. Placing the onus on women to bridge the gap in retirement savings is an additional penalty for the vital unpaid caring they provide.
131. As a matter of equity the government needs to consider policies to address interruptions in women's employment cycle which will benefit all women, including the low paid.

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<sup>48</sup> The Guardian Australia, *Scott Morrison flags super top-up for women returning to work after a baby*, 26 October 2015

### **RECOMMENDATION 13**

**Provide a mechanism for couples who have superannuation accounts, which can be converted to pension accounts, to amalgamate the accounts at the point of retirement so each can receive a pension from the joint account**

132. For those women who primarily rely on the retirement income of a spouse or partner, a mechanism to amalgamate pension accounts where two people have superannuation accounts which can be converted to pension accounts. Enabling amalgamation of the accounts at the point of retirement would enable each person to receive a pension from the account.

### **RECOMMENDATION 14**

**Implement fairer tax arrangements to remedy the gap in superannuation during unpaid work**

133. The government should ensure fairness and equity of access to concessions across all levels of income. Redirecting generous tax benefits received by high income earners to those on lower incomes would serve to address some of the structural inequities of the superannuation system and these initiatives could be cost neutral to Government.

134. A recent report by Deloitte 'suggests broader changes to tax concessions in a bid to address fairness concerns. The Deloitte proposal would curb the tax advantage for high-income earners by ensuring everyone who contributed a dollar to their account would gain a concession of 15c, saving the federal budget about \$6bn a year'<sup>49</sup>

135. The SDA also believes that the Government should implement the following tax options in order to address the gender gap in superannuation savings for women:

- Following a period of maternity leave or extended carers leave, all income tax paid by workers in the lowest tax bracket for the next 2

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<sup>49</sup> The Guardian Australia, *Scott Morrison flags super top-up for women returning to work after a baby*, 26 October 2015

years of work to be directed to the parent's/carer's superannuation account; or

- Averaging earnings for income tax purposes over 5 year periods for those parents who access parental leave or undertake extended periods of carers leave

136. Both of these options would significantly add to the superannuation accounts and earnings of women to compensate for the time taken out of the paid workforce to have children.

#### **RECOMMENDATION 15**

##### **Ensure proper investigation and compliance of unlawful industrial practices especially non-payment of super**

137. The government should also ensure that unlawful industrial practices are properly investigated by the Fair Work Ombudsman and the tax department, especially non-payment of superannuation contributions. It follows that both these Government authorities must be properly resourced to undertake this compliance work.

#### **RECOMMENDATION 16**

##### **Ensure a genuine safety net of terms and conditions of employment which particularly impacts on women who are more award and minimum wage reliant.**

138. The government should actively ensure there are no cuts to the minimum wage and award entitlements, such as penalty rates, as these have a severe impact on low paid employees, who are predominately women. Any reduction in wages and other entitlements not only impacts in a woman's immediate income but also on their lifetime earnings and superannuation savings.