

From:
To: [Economics Committee \(SEN\)](#)
Subject: Submission from WHGNE and WHIN
Date: Wednesday, 7 October 2015 9:06:17 AM
Attachments:

Dear Madam/ Sir,

Thank you for the opportunity to provide a submission to the Senate Inquiry into 'Economic security for women in retirement'.

I have attached a recent research document that helps explain the reason women are retiring with half the superannuation of women. The research was funded by Women's Health Goulburn North East and Women's Health In the North, and overseen by a high level Reference Group. Below is a summary of the key issues, and I have pasted the Executive Summary to explain this research.

Please don't hesitate to let me know if you require further information.

Yours sincerely,

[Dr Debra Parkinson](#)

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INEQUITABLE SUPERANNUATION IS **SEX DISCRIMINATION**

No path guarantees security – supportive wives, activists, professional women are all affected.

WHY IS THERE SUCH STARK INEQUITY?

1. Historic and ongoing discrimination.
2. Unequal pay – 17% less pay than men.
3. Interrupted career path – raising the next generation (or two) of taxpayers or caring for others.
4. A superannuation system that penalises workers on low pay or in parttime work – mostly women.
5. The financial effect of divorce and domestic violence.

THERE ARE PERSISTENT MYTHS THAT:

- Women choose caring roles YET this remains a cultural expectation.
 - Women share a husband's superannuation YET 42% of Australian women are single.
 - Women of retirement age own their own home and can live on the pension YET in 2011, 51% of homeless Victorians were women.
- Women over 65 comprise 15% of the population and can expect to live a quarter of their life past pension age of 67 years.

'Having a husband isn't a superannuation plan.' (Elizabeth)

Executive summary

The gender difference in superannuation balances is well-documented with women retiring on an average superannuation balance of \$112,000, compared to \$198,000 for men (Keene, 2013). In 2011, it was estimated that a seven year career break costs women an average \$70,000 in lost retirement savings (AIST, 2011), and a recent analysis showed that even if women were to work full time at average female earnings for 40 years contributing 15% super, they are likely to outlive their superannuation (Hodgson & Medd, 2013). A financial analysis released in July 2013 concluded that 'the current superannuation scheme effectively takes the gendered income inequalities that exist during people's working lives and magnifies them in retirement' (Cameron, 2013, p. 1).

While the financial inequity is well documented, with three broad explanations – women's interrupted career paths, part-time work, and the pay gap (WGEA, 2012) – the lived experience of older women as they age and retire is not as well recorded or understood. The issues that follow for older women are likely to include insecurity, anxiety and homelessness. This research set out to test these propositions.

A total of 32 women from the Northern Metropolitan Region of Melbourne and the rural Hume region (covering the Goulburn Valley and North East of Victoria) participated in this research. There was enormous diversity in the participants' backgrounds and life experiences. Notwithstanding that diversity, there were common and consistent themes of financial struggle and discrimination. Many of those experiences, in the words of the women who participated in our research, are provided throughout the report.

The key recommendation in this report relates to the aged pension – both the low rate of the single aged pension, and the age of eligibility. In 1909, men were paid the age pension from the Commonwealth of Australia at age 65, and in 1910 women could also receive the age pension, will eligibility beginning at age 60. The aim was to alleviate poverty and ensure older people were supported in retirement (AIHW). The pension age for women has increased over the past approximately 16 years to 65 (AIHW) and will keep increasing to 67. The findings in this research fill a research gap and may inform future policy and legislative decisions.

When is someone going to say, These women – who have given their lives – don't have a life to look forward to? Financial security should be a given because we've worked all our lives. (Helena, 57, NMR)