



St Vincent de Paul Society
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Submission on the Economic Security for Women in Retirement

The St Vincent de Paul Society (the Society) is a respected lay Catholic charitable organisation operating in 149 countries around the world. Our work in Australia covers every state and territory, and is carried out by more than 65,000 members, volunteers, and employees. Our people are deeply committed to social assistance and social justice, and our mission is to provide help for those who are marginalised by structures of exclusion and injustice. Our programs assist millions of Australians each year, including people living with mental illness, people who are homeless and insecurely housed, migrants and refugees, women and children fleeing violence from men, and people experiencing poverty.¹

On 17 August 2015, the Senate referred the matter of the economic security for women in retirement to the Senate Standing Committee on Economics, and on 28 August the Committee invited the Society to make a submission. The Society has now consulted our members nationally, and we welcome the opportunity to make this contribution. We are also willing to provide oral evidence at any further inquiry.

Executive Summary

The Senate Standing Committee is calling for submissions regarding the economic security of women in retirement, including regarding superannuation. The Society believes that this issue is a symptom of two deeper, structural problems: gender inequality, and age discrimination.

Women have long been expected – whether explicitly or tacitly – to assume ‘carer’ roles within our society. These roles often demand time and effort that could otherwise have been dedicated to securing full-time employment opportunities that would contribute to superannuation. The current superannuation system does not recognise the contribution of carers – meaning that older women who have had to sacrifice their financial security in order to fulfil these gender roles are put in a financially and socially vulnerable position. This leaves older women increasingly at particular risk of homelessness and domestic violence (as they don’t have the resources to leave violence situations).

Gendered ageism is another cause of the wide superannuation gender gap. Specifically, older women are stereotyped as less desirable workers who only have limited potential. Such an unfair characterisation means that older, female employees are often passed over for training or promotion opportunities that would have given them more of an opportunity to contribute to superannuation, thus increasing the gender retirement income gap.

Considering the above, the Society believes that the government should address the root cause of this issue by committing to a national plan on gender equality. Only by changing our traditional notions of gender roles can we finally take the first steps in reducing the income and superannuation inequality between men and women in the long-run.

¹ Stuart Auckland et. al., ‘Report of Assessment of St Vincent de Paul Retail Outlets’ Centre for Rural Health, University of Tasmania (February 2015).

The Society also advocates for short-term measures, such as the implementation of a national program of workplace gender discrimination training, and the introduction of a 'carers credit' system within the current superannuation structure. We believe that if the government formally recognises – and financially rewards – (predominantly female) carers, this would go a long way in not only redressing the superannuation gender gap, but also in securing the financial, physical and mental wellbeing of older women in general.

Women and Superannuation – Intersectionalities

As the Senate notes, the large pay gap and difference in superannuation balance between men and women has remained a significant socio-economic issue, despite recent increase in women's workforce participation over the last fifty years. In particular, the 46.6% gap in superannuation at retirement between men and women is illustrative of the fact that the current national retirement scheme is failing to address the needs of older women.² In fact, approximately 60% of women aged 65 to 69 have no superannuation at all.³

This lack of financial security means that there is a disproportionately high percentage of older women who live below the poverty line in Australia.⁴ Many older women are also at risk of homelessness:⁵ approximately 10,000 older women accessed specialist homelessness services in the last financial year, representing a 26% increase from 2011-12 to 2013-14.⁶ Of course, these statistics do not account for the older women who decide not to seek out homelessness services, meaning that there is likely to be an even larger group of homeless older women in Australia than that indicated by the numbers reported.

Women's comparative lack of financial resources is compounded by gendered violence. It is reported that in Australia, one in three women experience the threat of or actual physical/sexual/psychological violence from their partners or former partners at some point in their lifetimes.⁷ For those women without enough superannuation to leave an abusive partner, the lack of homelessness services in Australia directly results in no option but to be financially dependent upon a physically or mentally abusive partner for financial support. Such an outcome is patently unacceptable, as it risks both the physical and mental health of those women and traps them within a situation where they live every day in fear. Indeed,

² Australian Institute of Superannuation Trustees and Women in Super, 'Women's Super Summit Report', in *The Women's Super Summit Conference* (2014), 7.

³ Ibid.

⁴ Janet Spratlin and Karen C. Holden, 'Women and Economic Security in Retirement: Implications for Social Security' 21(1) *Journal of Family and Economic Issues* 37.

⁵ Thevini Kirupakaran, 'A Right to Housing: A Gendered Perspective on Housing and Taxation' (Research Paper, St Vincent de Paul National Council, 2015) 18-20.

⁶ Ginger Gorman, 'Older Women are the Fastest Growing Group of Homeless Australians', News.com.au (online), 23 June 2015 <http://www.news.com.au/lifestyle/real-life/older-women-are-the-fastest-growing-group-of-homeless-australians/story-fnu2q5nu-1227409739637>.

⁷ Australian Human Rights Commission, 'Accumulating Poverty? Women's Experiences of Inequality over the Lifecycle' (Issues Paper, September 2009) 20 <<https://www.humanrights.gov.au/our-work/sex-discrimination/publications/accumulating-poverty-women-s-experiences-inequality-over>>.

dependency on a partner for financial resources makes older women particularly vulnerable to economic abuse – a form of abuse that not only socially excludes women, but also interferes with their ability to find education, employment or housing.⁸ In this context of gendered violence intersecting with a gender wage gap, it is unsurprising to note that 96% of those who end up homeless as a result of domestic violence are women.⁹

The situation is compounded further if the woman suffering from domestic violence is from a migrant or Aboriginal and Torres Strait Islander (ATSI) background. As the Migrant Women's Support Services Report points out, domestic violence is also a common cause of homelessness for migrant women - but the cultural circumstances that these women find themselves in, along with legal issues relating to their immigration status, may leave them even more vulnerable to becoming homeless.¹⁰ In a similar vein, Homelessness Australia has reported that women from ATSI backgrounds are 35 times more likely to experience family violence than women from non-ATSI background, thus leading to a higher chance of them becoming homeless.^{11,12} This is especially problematic as it is generally recognised that ATSI women have even less of an opportunity to contribute to superannuation during their level than for women in general.¹³

Causes of the Superannuation Gap

Traditional Gender Roles

At its root, the current retirement structure has failed to care for older women because Australia's 'one-size fits all' superannuation scheme does not adequately take into account the gendering of paid and unpaid work within Australian society, and how this impacts upon the level of superannuation that women are able to access later on in life.¹⁴

⁸ Kristin Natalier, 'Tackling Economic Abuse of Women Must Be part of Our Domestic Violence Response', *The Conversation* (online), 13 October 2015 <<https://theconversation.com/tackling-economic-abuse-of-women-must-be-part-of-our-domestic-violence-response-48376>>.

⁹ Rochelle Braaf and Isobelle Meyering, 'The Gender Debate in Domestic Violence: the Role of Data' (Issues Paper No 25, Australian Domestic and Family Violence Clearing House, 25 May 2013) 9 <http://www.adfvc.unsw.edu.au/PDF%20files/IssuesPaper_25.pdf>.

¹⁰ Migrant Women's Support & Accommodation Services, 'Annual Report 2008-2009' (June 2009) 36 <<http://www.migrantwomensservices.com.au/media/files/1029.pdf>>.

¹¹ Homelessness Australia, *Homelessness and Aboriginal and Torres Strait Islander* (April 2013) <http://www.homelessnessaustralia.org.au/images/publications/Fact_Sheets/Homelessness_and_ATSI_v3.pdf>.

¹² Australian Institute of Health and Welfare, 'A Profile of Homelessness for Aboriginal and Torres Strait Islander People' (Research Report, May 2011) 16 <<http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=10737418954>>.

¹³ National Aboriginal and Torres Strait Islander Women's Alliance, 'Aboriginal and Torres Strait Islander Women & Superannuation' (Investigative Report, February 2013) <http://www.fnf.org.au/uploads/6/3/1/1/6311851/natsiwa_superannuation_report_for_printing.pdf>.

¹⁴ Thevini Kirupakaran, 'A Right to Housing: A Gendered Perspective on Housing and Taxation' (Research Paper, St Vincent de Paul National Council, 2015) 26.

For example, leaving paid work to care for children clearly impacts on the ability to participate in the workforce, and therefore earn superannuation.¹⁵ As this unpaid caring work is largely performed by women,¹⁶ the gendering of care results in lower retirement incomes for those women who choose to raise children. A second consequence of raising children is that, when carers seek to balance work with caring, workers (predominantly women) pursue employment opportunities with the greatest flexibility, rather than the ones with the higher wage or best retirement benefits. This is reflected in the fact that 46% of women employees worked on a part-time basis as compared to 16% of men.¹⁷

It is also difficult for these part-time employed women to shift to full-time work with better superannuation benefits due to a lack of childcare support provided in Australia. While the Society supports universal access to childcare, we have concerns about the government's current proposal, which may disadvantage low-income women if access to childcare is made contingent upon participation requirements.

Women with children also face less visible barriers to accessing full-time work, for example the social stigma around breastfeeding. This creates a very real barrier to women's participation in public life, including in paid work, while breastfeeding their babies.¹⁸ Another invisible barrier is the argument that women who take time off to care for children can simply obtain employment after their children have grown up. This overlooks the fact that, by that time, women would have missed out on advancement opportunities and experiences that were accessible to their male peers.¹⁹ It must also be noted that older women are now increasingly being called upon to take up caring roles for their *grandchildren*, forcing them to give up paid work even after their own children are grown, thus further limiting their retirement benefits and jeopardizing their own financial security.²⁰ For these reasons, gendered expectations around childcare result in women on average accruing less superannuation than men.

Raising children and grandchildren is not the only responsibility that has been traditionally ascribed to women. Domestic (unpaid) work has also historically been seen as a 'woman's job'. In Australia, it has been reported that women do nearly twice as much unpaid care and

¹⁵ Janet Spratlin and Karen Holden, 'Women and Economic Security in Retirement: Implications for Social Security' 21(1) *Journal of Family and Economic Issues* 41.

¹⁶ Australian Human Rights Commission, 'Investing in Care: Recognising and Valuing Those Who Care – Vol. 1' (Research Report, January 2013) 18
<https://www.humanrights.gov.au/sites/default/files/content/sex_discrimination/VUCW_australiaResearchPri/Fact%20Sheet%20170412.pdf>.

¹⁷ See Workplace Gender Equality Agency, *Parenting, Work, and the Gender Pay Gap* (March 2014) at https://www.wgea.gov.au/sites/default/files/2014-03-04_PP_Pay_Gap_and_Parenting.pdf.

¹⁸ Australian Breastfeeding Association, *Young Mothers and Breastfeeding* (February 2015)
<<https://www.breastfeeding.asn.au/bfinfo/younger-mothers-and-breastfeeding>>.

¹⁹ Workplace Gender Equality Agency, above n 17.

²⁰ Australian Human Rights Commission, 'Accumulating Poverty? Women's Experiences of Inequality over the Lifecycle' (Issues Paper, September 2009) 17-18
<<https://www.humanrights.gov.au/our-work/sex-discrimination/publications/accumulating-poverty-women-s-experiences-inequality-over>>.

domestic work a day as men.²¹ The additional time spend on housework has a direct impact on the ability of women to secure their financial future through employment,²² a fact also reflected in the 70% of elder-carers who are women – caring not only for their own parents, but their male partners’ as well.²³

Finally, there is the well-documented double-standard with regards to physical appearance. A 2014 survey showed that women spend almost an hour of each day just putting on makeup.²⁴ Instead of writing this off as vanity, we know that women are forced to do this because the penalties that women pay for ‘failing’ to live to up gendered expectations around appearance can be severe in the workplace, as well as in the community.²⁵

These are just some of the barriers that women face to accumulating more superannuation, and don’t begin to touch on workplace gender discrimination. Over a lifetime, the time spent caring for children, parents, doing unpaid domestic work, and spending time avoiding the penalties that accompany failing to ‘look the part’ cost women very significantly in terms of the hours and years they spend in the workplace.

Gendered Ageism

Older women face not only a range of structural barriers that result from gender, but those that intersect with age. Older women who are trying to supplement their financial position by trying to re-enter the workforce face significant, and particular, discrimination, including being stereotyped as ‘loyal but lacking potential’, ‘low in energy’ and/or ‘unwilling to accept criticism’.²⁶ As a group, elderly women are considered most ‘socially remote’ from all other demographics in the workplace and are also most likely to be perceived negatively when it comes to recruitment, training and promotion.²⁷ This discrimination means that older women have a very difficult time in finding stable employment that would provide for greater superannuation benefits, thus limiting their ability to secure their financial position post-retirement, and further driving the superannuation gap between older men and women.

²¹ Judith Ireland, ‘Gender Equality Begins at Home: Empty the Dishwasher, Guys’, *The Sydney Morning Herald* (online), 1 May 2015, <<http://www.smh.com.au/comment/gender-equality-begins-at-home-empty-the-dishwasher-guys-20150430-1mxa62.html>>.

²² Ibid.

²³ Somali Cerise, ‘Gender Equality: What Matters to Australian Women and Men’ (Community Report, Human Rights and Equal Opportunity Commission, July 2008) 13 <https://www.humanrights.gov.au/sites/default/files/content/sex_discrimination/listeningtour/ListeningTourCommunityReport.pdf>.

²⁴ Chanel Parks, ‘78 Percent of Women Spend an Hour a Day on their Appearance, Study Says’, *The Huffington Post* (online), 25 February 2014, <http://www.huffingtonpost.com.au/2014/02/24/women-daily-appearance-study_n_4847848.html?ir=Australia>.

²⁵ Devon Carbado, Mitu Gulati and Gowri Ramachandran, ‘Makeup and Women at Work’ (Research Paper No 06-10, University of California, Los Angeles School of Law, January 2006) 9-12.

²⁶ Australian Human Rights Commission, ‘Accumulating Poverty? Women’s Experiences of Inequality over the Lifecycle’ (Issues Paper, September 2009) 19 <<https://www.humanrights.gov.au/our-work/sex-discrimination/publications/accumulating-poverty-women-s-experiences-inequality-over>>.

²⁷ Ibid.

Recommendations

Beyond the narrow context of the superannuation gap, the St Vincent de Paul Society believes that the root of this problem lies in the broader social issue of gender inequality. It is important to recognise that stereotypes and attitudes about gender, which value women differently and subordinate to men, and which deeply permeate our society, are the true cause of the unfair disadvantage suffered by women in many aspects of their lives, including their participation within the superannuation structure. Therefore, the Society calls again on government to commit to a **national plan on gender equality**, building on the weight of evidence, and previous work by various government and non-government bodies. It is high time that we, as a nation, developed concrete steps to achieve true equality between women and men.²⁸

During the time that the plan is being implemented, we recommend several strategies to mitigate the consequences that are suffered by women within the current superannuation structure. First, the government should **amend the superannuation and pension framework** so that it considers gendered factors and provides reasonable concessions and allowances to those who have taken on carer roles at home (the vast majority of whom are women). Such an amendment could be in the form of a 'carer credits' system whereby the government directly credits a suitable amount into the superannuation accounts of carers who have taken parental or other care responsibilities,²⁹ or recognises the caring contribution in another way, such as boosting the level of old age pension available to past carers. This reform would mitigate the disadvantage suffered by women encouraged to leave the workforce due to their responsibilities at home and help them secure their independent, financial future. Indeed, a similar system has already been implemented in the United Kingdom.³⁰

Second, the government should increase its efforts to promote **training on gender discrimination** in all workplaces. Studies have shown that this type of diversity training is a 'good first step' in effectively countering the unconscious biases and many people have towards older women in the workplace.³¹ Of course, these training programs should be supplemented by other strategies such as the establishment of diversity committees and diversity staff positions within the workplace, but these are perhaps ideas that could be encouraged rather than mandated by the government.

Conclusion

²⁸ St Vincent de Paul National Council, Submission No 12 to Senate Standing Committees on Finance and Public Administration, *Domestic Violence in Australia*, 1 June 2015, 4.

²⁹ See, eg, Australian Institute of Superannuation Trustees and Women in Super, 'Women's Super Summit Report', in *The Women's Super Summit Conference* (2014), 11.

³⁰ While the system in the UK is different, in that it is more reliant on pensions than superannuation, the principle is applicable. See, for example, <https://www.gov.uk/carers-credit/overview>.

³¹ Francesca Gino, 'Ending Gender Discrimination Requires More than a Training Program' (10 October 2014) *Harvard Business Review* <<https://hbr.org/2014/10/ending-gender-discrimination-requires-more-than-a-training-program>>.

Modern Australian society still expects women to dedicate substantial portions of their lives to caring, cleaning, and 'looking good', while simultaneously punishing them financially for performing these roles. Older women also face gendered ageism in the workplace. All of this means that women are significantly less financially secure in retirement than men, and consequently more vulnerable to homelessness and domestic violence.

In order to rectify this injustice, the Society believes that we as Australians must first change our own stereotypes and attitudes about gender. Rather than assuming that women should adopt the traditional 'carer' role, we should commit to a national plan on gender equality and recognise that caring should be shared equitably between both genders, and should be rewarded accordingly. As part of this, the federal government should also promote and streamline gender discrimination and age discrimination training in all Australian workplaces, so to reduce the level of direct gender and age discrimination suffered by older female employees on a daily basis.

Beyond that, we must change our formal structures to recognise the value of carers – both male and female. This could be done through 'carer credits' of some sort, whereby the government makes additional contributions to a carer's superannuation account, bank account, or pension. Only by formally recognising the role that these carers play in our society within superannuation structures can we truly look after those who have always been there for us.