



ABORIGINAL & TORRES STRAIT ISLANDER WOMEN & SUPERANNUATION



This report is a special investigation into the issues for Aboriginal and Torres Strait Islander (ATSI) women into superannuation as a means of financial planning for retirement. NATSIWA became involved in developing this project as there were concerns expressed by members of the organisation that superannuation is an area that causes confusion and disadvantage. The NATSIWA Board established that:

The superannuation system was established to provide dignity in retirement, however for Aboriginal and Torres Strait Islander women this opportunity is far from being realised. The burden of a system that is already complex has made it difficult for employed Aboriginal and Torres Strait Islander women to enjoy the benefits of a financially secure retirement. This is also related to the special socio-cultural and political circumstances of Aboriginal and Torres Strait Islander women within the Australian community.

In a nutshell, Aboriginal and Torres Strait Islander women are a distinct socio-cultural group that suffer particular disadvantage, including within superannuation schemes.

Issues that particularly concern members will be documented in full later in this report. Essentially they are to do with the particular complexities that can occur around early death and disability, a lack of information about how superannuation can work for them and financial literacy and planning. This report aims to document the existing situation and then provide advice about what is desirable, what is possible, and the initiatives that could happen in the various areas of the industry to improve the situation for Aboriginal and Torres Strait Islander women.



What is superannuation?

In 1992 the Federal government introduced compulsory superannuation for all Australian citizens. The aim of superannuation is to ensure that all Australians have the opportunity “to achieve a higher standard of living in retirement than would be possible from the age pension alone” (Treasury, 2004).

The legislation requires a minimum of 9% employer contribution to a workers superannuation fund. Worker contributions can also be made with an option of contributing more.

Superannuation was not always compulsory and in 1985 only 39% of the workforce had superannuation. Only 24% of women and 50% of men had access to superannuation and it was those in more white-collar occupations that enjoyed this access (Australian Council of Trade Unions, 2005). In 2007 participation increased to 76% of men and 66% of women (Australian Bureau of Statistics, 2009).

Superannuation is an enforced savings plan, which locks away a proportion of income until retirement, or the preservation age (55-60 years) is reached. Superannuation is a particularly important consideration for women, including Aboriginal and Torres Strait Islander women, who often prioritise the financial needs and wants of their families over their own financial security and are more likely to sacrifice earnings, savings and investments to meet the needs of others.

The retirement income system has three foundations of which superannuation is one, alongside the aged pension, savings and investments. It is the case that the overwhelming majority of Aboriginal and Torres Strait Islander women can only look forward to the aged pension on retirement. For this reason the area that promises the most significant impact on Aboriginal and Torres Strait Islander women in retirement is improvement of the aged pension. At the moment this is set at 25% of the average male weekly earnings (Treasury, 2004) and falls below the poverty line. It is commonly understood that retirees need at least 60 - 65% of their previous income in order to live reasonably well (AMPa, 2011).

The aim of the government is to have superannuation as the most common income for individuals in their retirement. To this end the government provides a 9% superannuation guarantee charge that is contributed to an individual's superannuation payments (Australian Taxation Office, 2012a). This level of compulsory employer superannuation contributions assumes an individual working life of 40 years, on average weekly earnings, to produce a replacement rate of 60% pre-retirement earnings (CPA Australia, 2012a).



A number of superannuation concessions for low income earners are currently in operation. They are:

- refunds on tax paid on concessional contributions up to \$500 annually for individuals on incomes up to \$37,000;
- Tax concessions;
- No requirement to submit an income tax return for individuals that are at or below the tax free threshold;
- Increase in superannuation guarantee rate from 9 percent to 12 percent is being phased in from 2013 to 2020; and
- The current age limit of 70 years of age for superannuation guarantee will be abolished from 1 July 2013 (Australian Taxation Office, 2012b).

On 1 January 2013 the government introduced a simple low cost superannuation product called My Super. This product will be the only fund eligible to receive contributions from employers on behalf of employees who have not chosen a superannuation fund. This new fund will be simple, transparent and comparable and ensure consumers who do not take an active role in managing their super savings do not pay for unnecessary features they do not need or use (REST Industry Super, 2012). Streamlining consumers who are not actively involved into a fund that is more likely to meet their needs and is easier to understand is likely to positively benefit Aboriginal and Torres Strait Islander people.

While superannuation is said to be the single most important factor in the mitigation of wealth inequality in Australia, Aboriginal and Torres Strait Islander people and in particular Aboriginal and Torres Strait Islander women are in danger of being left right out of this scenario. Individuals who have not been able to work, or who have worked and not earned sufficient to pay superannuation, do not receive this boost to their retirement savings.



What is the relationship of Aboriginal and Torres Strait Islander women to superannuation savings?

It is not known what percentage of Aboriginal and Torres Strait Islander people, men or women, hold superannuation savings, as the fund managers do not ask for identification of Aboriginality or any other ethnicity. The guesstimate is that this percentage is small; we get some idea from the employment figures.

In 2006, 57% of Aboriginal and Torres Strait Islander people 15-64 years old were participating in the labour force in mainstream employment or in the Community Development Employment Programs (CDEP). In comparison 76% of non-Indigenous people were participating in the workforce (Australian Bureau of Statistics, 2006). The participation of Aboriginal and Torres Strait Islander people in CDEP reduced the unemployment figures. However, CDEP participants were not paying superannuation and were not getting the government superannuation levy, unless they were employed for more hours per week than CDEP hours, that is, receiving “top up” income. Superannuation benefits were only being paid by employers on the “top up” income (Australian Taxation Office, 2008). Since then CDEP has been abolished, except for some people “grandfathered”, participants who do work these extra hours for community organisations and who have been considered indispensable. The situation remains that those people who have worked in CDEP jobs in the past largely did not receive superannuation and those who have received benefit on “top up” income have received very little superannuation benefit.

CDEP was abolished in non-remote areas in July 2009 and in remote areas in July 2011 (Centre for Aboriginal Economic Policy, 2009). It has been established that by 2011 the impact of the demise of CDEP had been almost recovered by the movement of Aboriginal people into other employment and by 2011 the employment rate was travelling at 51%. Employment amongst Aboriginal and Torres Strait Islander women aged 16 to 64 years rose by 19%, compared to 10% for non-Aboriginal and Torres Strait Islander women. While there is still a large gap between the employment rates of Aboriginal and Torres Strait Islander people and the rest of the population, employment rates of Aboriginal and Torres Strait Islander people have increased more in the period 1994 – 2008 (Horin 2011).

It is important to note that labour force participation declines with remoteness – 57% participation rate in major cities and 46% in very remote areas in 2006 (Australian Human Rights Commission, 2008). In these locations there are limited opportunities for employment. Government funding is often provided to run Aboriginal and Torres Strait



Islander specific programs in these regions but these are frequently for short periods of time. As a result employment can be intermittent.

Even given this recent boost to Aboriginal and Torres Strait Islander employment, the fact remains that Aboriginal and Torres Strait Islander employment rate in 2008 was 42% for women compared with the 69% for non-Aboriginal and Torres Strait Islander women (Gray, M., Hunter, B & Lohar, S., 2012). The disparity in employment and therefore in superannuation savings remains.

The position of Aboriginal and Torres Strait Islander women and employment and therefore for superannuation savings for retirement is no doubt the worst of any group in the country. Gray, Hunter and Lohar's paper identifies the following factors as impacting on Aboriginal and Torres Strait Islander people's involvement in the labour force:

- human capital (that is, education and skill level)
- health
- locational disadvantage and access to services
- arrest and interactions with the criminal justice system
- discrimination
- job retention and labour demand
- job search behaviour and labour supply (2012).

Additionally, Aboriginal women are more likely to be a sole parent, have a higher birth rate, larger families and women generally are more likely to make major changes to their work life to accommodate these responsibilities. Time out of the workforce does not only impact financially but has an ongoing effect reducing skill level and there is a slower career progression compared to other workers. If employed, the experience of Aboriginal and Torres Strait Islander women is more likely to be of intermittent casual or part-time employment. Aboriginal and Torres Strait Islander women are less likely than any other group to have a retirement that offers more than poverty and deprivation.

However, they do receive the aged pension on retirement and it may be possible for those with small superannuation balances to receive the full aged pension due to the aged pension asset test. At the moment it is \$412,500 for a non-home owning couple or \$332,000 for a single person (CPA Australia, 2012b). The levels of assets allowed are not well known and need to be communicated more effectively. It can also be possible for those who have been able to save only small amounts of superannuation to be able to receive the aged pension as well as a superannuation top-up.



The gender inequities in super also impact on Aboriginal and Torres Strait Islander women

As it is, women have significantly lower superannuation balances than men, primarily due to their wage levels and work patterns. By the year 2019, men, on average, will have accumulated double the superannuation that women, on average, will have done (Equal Opportunity for Women in the Workplace Agency, n.d.). This disparity will occur despite 27 years of compulsory superannuation contributions. Fifty per cent of women who have either retired or will retire in the next 10 years, have less than \$20,000 in superannuation; 20% have less than \$5,000 (*Your guide to effectively communicating superannuation messages to women*, n.d.). Women are two and half times more likely to live in poverty in their old age than men, because they have contributed so much less to superannuation (AMP NATSEM 2009). In 2000, across Australia, there were 106,000 poor single women over 65 compared with 40,000 men in this group (The Senate, 2004).

There is no doubt that women in general experience a severe inequity when it comes to superannuation. This is reflected in their super balances. In the six months to June 2010 the AMP Retirement Adequacy Index showed average super balances for men rose to \$54,061 while women's super was at a low \$29,693. The largest gap is for those aged 50 to 54 where men's balances averaged \$99,988 and women's' \$49,596 (AMP, 2011b).

An Australian Bureau of Statistics survey in 2010 showed 56% of men approaching retirement expected their super or annuity to be their main source of income compared to 49% for women. In addition more women rely on the government pension or allowance - 27% compared to 25% for men. Also of concern is that 18% of women were expecting to rely on their partner's income and superannuation compared to only 3% of men.

Women's pay rates are still much lower than those of men. In 2008, pay rates were still only 82.3% of males' ordinary time earnings. (ABS Average Weekly Earnings, May 2011). The gap is widest for the Baby Boomer generation (13%) and much lower for Gen X (3.5%) and Gen Y (0.6%). Further, a 1999 OECD study estimated Australian women worked the equivalent of 20 years by the time they reached retirement compared to men's 38 years. This is most likely due to the demands of childcare, other caring responsibilities and the associated ubiquity of part-time work for women. The Australian Institute of Superannuation Trustees (AIST) study of the HILDA data indicates that career break is the major issue with the low superannuation balances for women (AMP, 2011b).

Concern about the situation of women and retirement has led to major conferences and meetings to discuss the situation. In 2008 more than 200 representatives from

government, business and community organisations gathered in Melbourne for the ninth annual Premier's Women's Summit, the theme of which was *Women and Money*. The Outcomes Report for this event is meant for all women in the Australian community and includes one reference to Aboriginal and Torres Strait Islander women (see within recommendations below). The program provided does not list a representative of Aboriginal and Torres Strait Islander women. This is proof positive that a group such as NATSIWA is sorely needed to provide high level representation at such events.

However it is important to note that the recommendations from this event are also crucial for Aboriginal and Torres Strait Islander women to be able to plan for retirement. These recommendations include that women need to be:

- Gaining confidence to be able to discuss money management;
- Accessing information and expert advice;
- Facing the challenge of financial planning;
- Accessing financial literacy training; and
- That superannuation funds provide plain English information about accounts and better tools/advice for members planning for retirement;
- Superannuation polices need to take into account that women are more likely to:
 - Have interrupted work patterns;
 - Take time out of the workforce to be carers;
 - Earn on average less than men, this is especially so for Indigenous women;
 - Be employed part-time or on a casual basis;
 - Live longer than men;
 - Be single due to divorce, separation or death of a partner.
- Boost women's superannuation savings by promoting the superannuation contribution, using default options and minimising fees;
- Regulate the consumer credit industry to better protect women, especially newly arrived and refugee women, from debt;
- Financial institutions are to be encouraged to provide financial literacy services not just marketing financial products.

One superannuation fund suggests that the argument about women being risk averse or less financially literate should be rejected. Many studies have shown that financial acumen reflects income, assets and time constraints - not gender. Women fitting the top categories are just as astute, if not more so, than men. In other words give women money to manage

and the time to manage it. This certainly applies to many Aboriginal and Torres Strait Islander women who continually surprise with their ability to manage to a high level when given an opportunity to do so. The fund further suggests that if a woman designed super, we would all understand it (AMP, 2011b).

The Women's' Action Alliance (WAA) has recognized the inequity issues for single income families and for the spouse who is not in paid work. In this connection it is important to understand that in 1996 more than 64% of Aboriginal and Torres Strait Islander people out marry, that is they marry people other than Aboriginal and Torres Strait Islander people and this fact needs to be considered in any initiatives for a spouse who is not in paid work (Australian Bureau of Statistics, 2000). The WAA suggests that single income families should be able to take out superannuation in the name of the non-earning spouse in any scheme to which the earning spouse is eligible, with all the consequent tax benefits. This could be achieved by the earning spouse's Superannuation Guarantee contributions being split in two parts - one part to be deposited in his/ her own name and the other in the name of the non-earning spouse. The employer's contribution would likewise be split between the two memberships.

In addition, a means tested superannuation voucher scheme should be available to welfare recipients and those on low incomes to allow them to participate in any scheme to which they may be eligible. Such benefit should be in a form that could be used solely for the purposes of superannuation. It is suggested a voucher system whereby the client has the opportunity to choose his/her own fund; just as all superannuation contributors have been able to do since 2005.

Such initiatives would benefit Aboriginal and Torres Strait Islander women as much as other women in the general community.



What are the special issues for Aboriginal and Torres Strait Islander women in superannuation?

For Aboriginal and Torres Strait Islander women accessing sufficient superannuation savings for retirement is problematic for several special reasons. Firstly, the employment rates of Aboriginal and Torres Strait Islander women fall far below those of other women so the opportunity for Aboriginal and Torres Strait Islander women to contribute to superannuation are even less than for women in general.

Secondly, and as mentioned previously, CDEP programs have been an important employer of Aboriginal people but participants in CDEP did not have the opportunity for superannuation savings unless they did work over and above the hours allocated to them through the program. Then they had superannuation paid but only on the top-up money they had earned. Their core wage has been only the unemployment benefit they would have received, minus tax as on a taxable income.

Thirdly, the issue of casualisation and impermanency in employment are much more prominent for Aboriginal and Torres Strait Islander women than for the general population. Since the rates of illness and infirmity are higher within their families, Aboriginal and Torres Strait Islander women are more likely than most to be taking time out of employment for relations needing care – the young, the infirm and the elderly.

Fourthly, the life expectancy of Aboriginal and Torres Strait Islander women is lower than that of the general population and so the chances of living to enjoy a retirement income generated by superannuation are lower. Importantly, this does not mean that all Aboriginal and Torres Strait Islander women will not live into retirement, but that most probably less than the general population will do so. An early death of a person who has not kept the superannuation beneficiaries entries in their portfolio up to date can mean a contested claim involving much time and heightened conflicts amongst a more broad range of extended family than is found in the general population.

Fifthly, it is also the case that many Aboriginal and Torres Strait Islander women will suffer disability and infirmity, forcing an early retirement from employment. The chronic illnesses that Aboriginal people suffer from include: diabetes, cardiovascular conditions, cancer, lung disease, dementia and kidney disease (Australian Bureau of Statistics, 2010b). Those who have a chronic illness, for example, end stage renal disease (ESRD) that occurs amongst Aboriginal and Torres Strait Islander populations up to thirty times the national average, will also require expensive medical treatment such as dialysis (Australian Institute of Health and Welfare, 2011). While this is a deplorable situation and needs



critical attention to remedy it, at the moment the advantage for members of the Aboriginal and Torres Strait Islander community, as members of a large superannuation fund, is the opportunity for lower insurance premiums for death, total and permanent disability (TPD) and income protection (IP). If there were a smaller fund just for members of this community the advantages in this area would not be the same.

And finally, the level of disadvantage extends far beyond employment and health issues - it is historical and holistic. It is important to understand that Aboriginal and Torres Strait Islander women are moving out of systems of forced dependency developed during the 20th century when governments controlled the lives of individual Aboriginal and Torres Strait Islander people through the administration of the Aboriginal Protection and Welfare Acts. These were segregation acts that served to isolate people of colour from the rights and responsibilities of citizenship and to control every aspect of their personal and family lives, to keep them out of the mainstream of Australian society. This has meant lower standards of living, including diet, housing, sanitation, lower employment or underemployment, lower educational attainment, lower self-esteem and wellbeing.

This means that in the case of planning for retirement, Aboriginal and Torres Strait Islander women are more likely to suffer gaps in the acquisition of literacy and financial literacy skills. Significant numbers are proficient in their own Aboriginal language and may have English as a second, third or even fourth language. Their proficiency may be in a Creole language, or Aboriginal English.

The overwhelming majority of Aboriginal and Torres Strait Islander women are caught in a cycle of poverty, low income and debt. Despite the difficulties these women have managed remarkably well and have shown great strength, resilience and determination to improve their lives, their family's lives and the communities they belong to.

This is compounded with the legacy of the removal of children from families that has resulted in identity confusion and despair. Family dysfunction too has developed, primarily when the removed children as adults become parents, and they are often at a loss to provide the intangible parenting behaviour that they themselves had been robbed of. This, along with the relentless contact with racism often on a daily basis, is one of the major causes of mental health issues, including depression and anxiety that plague Aboriginal populations.

Statistics show that Aboriginal and Torres Strait Islander women are more likely to be the victims of violent crime, rape and domestic violence (Australian Institute of Health and



Welfare, 2006). It is important to note here that this does not mean that Aboriginal men are the only group of perpetrators as this may be the first but erroneous assumption.

More than any other group, Aboriginal and Torres Strait Islander women are likely to be remote from essential services, have communication issues including language, access to telephone, internet and correspondence.

The North Australian Aboriginal Justice Agency (NAAJA) reports that its lawyers find themselves assisting Aboriginal and Torres Strait Islander clients with non-legal matters to do with superannuation that are also very resource intensive and time consuming. Such agencies have a client group desperately in need of the legal services that are in its charter to provide. They find that their clients are unable to navigate the complex and confusing demands of the superannuation system. This agency has provided three case studies to illustrate the issues that arise with their Aboriginal and Torres Strait Islander clients and superannuation – **at Attachment A**. They have also summarised the problems and issues as they see them as follows:

- Remoteness of clients;
- Lack of education and literacy;
- Language;
- Differing cultural views on how money should be distributed;
- Contacting clients and other relevant parties;
- Transient lifestyle;
- Resources required to assist clients;
- Numerous and lengthy communications with superannuation funds;
- Inability of communities to handle the process themselves;
- Different requirements and forms for each superannuation fund;
- Providing sufficient identification to process claims; and
- Lack of assistance from superannuation funds to access benefits.

It is not only the Aboriginal and Torres Strait Islander legal service that would be dealing with such clients; this story is repeated across the whole of Australia.

Superannuation organisations and associated industry organisations have had a great deal of experience in dealing with the special issues facing Aboriginal and Torres Strait Islander people including women, especially over the last two decades since superannuation has become compulsory. It is because of this that a special roundtable was formed in Sydney for industry representatives to discuss the special considerations

that are required for Aboriginal and Torres Strait Islander women and to make recommendations on ways of moving forward.

Indigenous Women and Superannuation Forum

This forum was organised by Rachel Gallagher through the agency of Cate Wood of Australian Institute of Superannuation Trustees (AIST) and held in Sydney in Friday 4 May 2012. The participants included:

Cate Wood	President	AIST
Victoria Grieves	ARC Indigenous Research Fellow	The University of Sydney
Cath Bowtell	CEO	AGEST Superannuation Fund
Louise du Pre Alba	Head of Policy	Australian Superannuation
Cheryl Heath	Member Education Manager	HESTA Superannuation Fund
Troy Maguire, FAIST	CEO	Insurance Australia Group (IAG) & NRMA Superannuation Plan
Wendy Schilg	CEO	National Information Centre on Retirement Investments (NICRI)
Jean Turner Chapman	Project Manager	First State
Di Collins	Corporate Affairs	First State
Anita Sharma	Business Development Manager	ME Bank
Rachel Gallagher	Education Manager	AIST
Cathy Deehan	Training Consultant	AIST
Fabienne Balsamo	Senior Policy Officer	Australian Human Rights Commission
Jemima McCaughan	Lawyer – Indigenous Outreach Program	Australian Securities and Investments Commission (ASIC)

Apologies were received from:



Karen Volpato	Marketing Manager	First State
Sam Briggs	NSW State Manager	ME Bank
Robynne Quiggin	Senior Manager – Indigenous Outreach Program	Australian Securities and Investments Commission ASIC

Victoria Grieves introduced the project that is being carried out by NATSIWA. Her presentation provided background to the project and detailed the issues raised by Aboriginal and Torres Strait Islander women in a series of consultations carried out by NATSIWA in Perth, Alice Springs and Thursday Island. These include:

1. How to know how to choose a fund that provides the best service for you?
2. That “superannuation companies have the power to overturn last living wills and supply funds to previous partners and others not entitled to the deceased(s) benefits for their own financial gain”;
3. The problem of needing to update beneficiaries every three years;
4. The need for advice on how to access funds, when this is possible and how to do this - including the difference between taking a regular payment and a lump sum;
5. The options for claiming TPD and income protection are often not adequately understood or claimed;
6. Many Aboriginal and Torres Strait Islander people do not live until retirement age and so pay superannuation for nothing;
7. The need for an efficient method of amalgamating superannuation from various funds;
8. How do I access financial planning advice?

The responses to these issues are detailed further in this report. It is important to give particular attention to the complexity of the issue raised at number 2. Superannuation funds have to distribute the funds in the way that the client has directed by naming beneficiaries through a valid, binding death nomination. Beneficiaries thus named may be different to those named in the last will and testament. If the client has not named beneficiaries, then the superannuation fund has to pay the money to the closest dependents.

It is important to note too that reports coming back from NATSIWA women who were conducting these consultations was that they were in fact mostly information-giving



exercises because the women they met with did not know very much about superannuation at all.

What can be done?

Ask the experts!!! It is important to allow the people who deal with such issues constantly through the positions they hold in superannuation funds and associated agencies to share information. People such as those present at this forum, and others who could not be there but generously shared resources with this project, are best able to advise on what steps can be taken to improve the relationship between Aboriginal and Torres Strait Islander women and superannuation as a part of financial planning for retirement.

Allied to this is the need for social justice initiatives to be taken on by all sectors of Australian society and the tendency to do this is increasing. People within governments, corporations and in their everyday lives are realising the importance of social justice for Aboriginal and Torres Strait Islander people and initiating and carrying out important initiatives that are outside of any government imperatives. An important example for organisations within the superannuation industry is the fact that Reconciliation Action Plans are now being developed and implemented by a range of government and non-government agencies. Reconciliation Action Plans assist in identifying areas of need and focusing resources over a set time to improve outcomes (Reconciliation Australia, 2010). These are an important means of addressing inequity and the special needs of Aboriginal and Torres Strait Islander clients that could be considered by all players in the superannuation industry.

Strategies for change can possibly include:

- Administrative changes? These are potentially the most accessible changes and also potentially the most effective in improving the way to do business with Aboriginal and Torres Strait Islander women. For example,
 - Promotion/education/financial literacy programs to Aboriginal and Torres Strait Islander clients. Programs such as Money Management, a Department of Families, Housing, Community Services and Indigenous Affairs service, largely attracts Aboriginal and Torres Strait Islander women, this is evidence this target group is keen to increase knowledge and skills to improve their financial situation;



- Developing information products in Aboriginal and Torres Strait Islander languages;
 - Aboriginal and Torres Strait Islander employment programs – Aboriginal and Torres Strait Islander staff to service the needs of Aboriginal and Torres Strait Islander clients - employing Aboriginal and Torres Strait Islander women as staff members with or without a special role;
 - Workplace information programs;
 - Advertisements on Aboriginal and Torres Strait Islander television – NITV, Imparja;
 - YouTube, iilearn (for language products).
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- Policy changes? For example, considering the impact on early death and disability on retirement ages for Aboriginal and Torres Strait Islander women;
 - Legislative changes? There may be ways in which the legislation will have to be changed in order to better serve the interests of Aboriginal and Torres Strait Islander women.

More potential strategies include:

- The NATSIWA internet site can have information, links, etc. Another possibility could be access to financial literacy advice online.

Forum discussion

Participants in the forum suggested the following strategies / solutions, and made the following observations:

General issues - to more effectively deal with the needs of Aboriginal and Torres Strait Islander women as clients of superannuation funds

1. The superannuation industry needs to work collectively in order to properly address the social justice needs of Aboriginal and Torres Strait Islander women in their dealings with this industry;
2. One important way of addressing these needs is through the development and implementation of Reconciliation Action Plans by the superannuation funds;
3. Various administrative, policy and legislative changes should be considered by individual funds as special measures to deal with the needs of Aboriginal and Torres Strait Islander women in superannuation;

4. It is the experience of some people in the meeting that small initiatives over time can make a big difference;
5. Superannuation funds need to employ more Indigenous staff in all areas of operations and especially in areas to do with developing special initiatives and relationships with the Aboriginal and Torres Strait Islander community, especially women;
6. Promotional material and effective fund to client contact for this section of society is in need of special attention. Education brochures don't work well, however a lack of email and telephone details often means that mail is the only option and people often change address regularly;
7. A verbal transfer of knowledge has the potential to work most effectively. This may be achieved via targeted workplace visits;
8. Superannuation funds could link in with Indigenous conferences such as Aboriginal health worker conferences, and deliver superannuation education as an addition;
9. Superannuation funds could form relationships with Indigenous peak bodies (health, education etc) where many Aboriginal and Torres Strait Islander people are employed, to provide education, post promotional material and links on their websites, etc.;
10. Superannuation funds could provide education via Indigenous TV channels, radio stations, YouTube, and tools like iilearn that is particularly effective in providing information in Aboriginal languages;
11. Social media is very popular and could be used as a communication tool by the superannuation funds.

Issues to do with literacy levels and Aboriginal and Torres Strait Islander language product needs of Aboriginal and Torres Strait Islander clients

12. Funds offer face-to-face services now and can explain superannuation to all clients. However community engagement is difficult for all superannuation funds and general knowledge about superannuation is low across many sectors of the community. This is especially the case for members of the Aboriginal and Torres Strait islander community;
13. Adult literacy needs to be referenced continually, people cover up deficiencies so it can be hard to detect that they need extra help. The adult literacy levels in the Aboriginal and Torres Strait Islander community are lower than in the general population. Many people have English as a second, even third or fourth language (Indigenous Literacy Foundation, 2013);
14. Superannuation funds believe that life cover is a benefit for families when a person has died, so superannuation is relevant despite low life expectancies. There is a need for



this message to get out to clients more effectively so that they manage this aspect of their funds effectively;

15. The meeting agreed that there are probably a lot of unclaimed monies due to illiteracy within the Aboriginal and Torres Strait Islander community.

Issues of Identification and personal details of Aboriginal and Torres Strait Islander clients

16. Wherever birth date is not known, there is a 'dummy' date on the system;
17. A lot of women are homeless because they don't have identification such as a birth certificate or driver's license that enable them to claim benefit and apply for housing assistance;
18. Even if people have identification, the ability to have their identification verified in remote locations can be problematic;
19. There is one group, the Larrakia people in Darwin, who have an identity card that one fund accepts. The fund liaises with local Indigenous councils to help identify people;
20. Superannuation funds could accept declarations from institutions in the community (e.g. Police, Clinic, Bank, Council, Centrelink or Aboriginal Association) that the document recognizes the applicant to be who they say they are and if possible their relationship with the deceased.

Issues to do with the distribution of death benefits for Aboriginal and Torres Strait Islander women clients and their beneficiaries

21. Trustee decision making for death benefits can result in challenges. There are even issues with binding nominations. Issue is being able to legally acknowledge kinship;
22. Some trustees take a broad view of kinship from their long experience of the issues involved for Aboriginal and Torres Strait Islander people;
23. We need to have a consistent approach in considering kinship across the industry (also raised in the discussion about TPC claims below);
24. It was suggested that there may be a role for the Commonwealth Attorney General to take up the challenge of documenting and regularising Aboriginal and Torres Strait Islander kinship systems;
25. One fund noted that they deliver targeted seminars to Aboriginal and Torres Strait Islander clients in the NT. Around 15% of their death claims are Aboriginal members, and the trustee tends to allow the family to nominate beneficiaries. They allow people to tell their stories. They have a caseworker that follows up with community agencies to try and chase up paperwork. They also take statutory declarations from local police / nurse



as to family relationships. This model can be adopted elsewhere by other funds.

26. Family violence resulting in death occurs at much higher rates in the Aboriginal and Torres Strait Islander community in comparison to the wider community (Australian Institute of Health and Welfare, 2006). This can result in the perpetrator being the beneficiary if they are not convicted and/or caring for the victim's children.

Superannuation funds could set up processes for clients to alert them that family violence is an issue and money should not go through to identified individuals directly or indirectly.

Issues to do with Total & Permanent Disablement (TPD) claims by Aboriginal and Torres Strait Islander women clients and family members

27. Aboriginal and Torres Strait Islander clients may have a stress related claim and insurer can be inflexible as to likelihood to obtain alternative employment;
28. Some help is required for superannuation funds in making connections in local communities e.g. a directory of Aboriginal organisations would be useful for following up claims;
29. We need to have a consistent approach in considering kinship across the industry;
30. Some funds recognise tribal marriage without documentation.

Issues to do with effective Communication with Aboriginal and Torres Strait Islander women clients

31. Homelessness, unstable living arrangement and a transient lifestyle experienced by Aboriginal and Torres Strait Islander people makes informing clients through postal services difficult. Additionally this form of communication can take significantly longer, particularly in regional and remote areas;
32. Podcasts and computer-based storytelling may be more effective than communication methods that require the recipient to read, especially in English. We need to look at different mediums;
33. Aboriginal and Torres Strait Islander women who speak English as a second, third or fourth languages are further disadvantaged. Interpreter services across a range of communication mediums, for example telephone services, brochures and direct contact, is required to meaningfully and effectively communicate with this target group;
34. Workplace seminars are already being offered, however the cost of providing services is always an issue. When using this approach it must also be understood that there may be reluctance in discussing financial matters with strangers or in group settings. Developing a relationship with communities is necessary as Aboriginal and Torres Strait



Islander communities have often had a negative experience with mainstream services;
35. Working with the elders to get the message across, who then speak to the family, has proved an effective tool to communicate with people.

Issues in the administration of superannuation for Aboriginal and Torres Strait Islander women clients and their families

36. Tax is an issue - Australia should adopt UK system of deeming that tax return is done on the basis of the employer's group certificate. Individual's then only need to submit if they need to claim something different. Tax returns are particularly onerous for Aboriginal and Torres Strait Islander clients with literacy and resource issues in communication;
37. Going through the death process is onerous – it should just go to the person's estate but this also has a downside (next item) and agreement was not reached on this in this forum;
38. Better that beneficiaries get the money, less intimidating and costly for family members if disputed through Superannuation Claims Tribunal (SCT) rather than the Supreme Court that currently hears cases of contestation of wills;
39. One fund releases \$10,000 within a week of death, to pay for funeral benefits. They are proactive in providing a benefit, thus flagging a claim;
40. Paying for a funeral is a big issue; many people are tricked into paying into a funeral fund. A national fund is needed urgently; this is a major preoccupation of many Aboriginal people in poverty, the cost of their funeral.

Access to advice for Aboriginal and Torres Strait Islander women clients

41. Adequacy of access and points of entry to the system is important. Availability of information through a variety of different channels will assist in messages getting out to the community;
42. Understanding how systems interact, i.e. Centrelink and superannuation at retirement;
43. There are proposed intra fund advice reforms, to allow funds to discuss with members how to move from superannuation to pension. Give more scope to help members with simple advice and improve access to advice;
44. Most funds are thinking about how to interact with members who have low levels of financial literacy – mail-outs are a waste of money. Phone and web based services are about tailoring to target people with low literacy. However, there is a reliance on mailing address or employer to let them know that these channels are available. Not all workplaces will allow you access to present, and cost is an issue;



45. Regular Indigenous conferences and employment centres were suggested. The largest number of Aboriginal people is in Western Sydney, not in the remote areas;
46. Aboriginal radio is national and is a good medium for information to be disseminated;
47. The industry may consider having a national liaison officer to do the rounds of the peak bodies to spread the message? This role may also include providing advice and advocacy within the industry on behalf of clients.

Issues around “lost super” for Aboriginal and Torres Strait Islander women clients and their families

48. The industry does some work with lost superannuation – it was agreed that there would be many Aboriginal and Torres Strait Islander clients with lost superannuation. Lost Superannuation is managed by the ATO;
49. Lost superannuation is an issue across the community where people have lost touch and don't know where to go to chase it up;
50. We don't necessarily know if someone has moved, unless we get returned mail. We rely on people to actually return the mail, rather than discarding it.

The adequacy of benefits for Aboriginal and Torres Strait Islander women clients and their families

51. We don't want to lose the point about adequacy as women generally suffer lower balances for the reasons outlined in this report, but Aboriginal and Torres Strait Islander women suffer another layer of disadvantage;
52. Superannuation should be paid from the first dollar earned, not \$450 as it disadvantages intermittent workers;
53. Most people on CDEP have earned small amounts and as a result workers have not been getting superannuation payments from the government. It is worth looking at the program and lobbying for superannuation.

Early access to benefits for Aboriginal and Torres Strait Islander women clients

54. The Australian Human Rights Commission has looked at policy in relation to early access in relation to life expectancy, and the fact that life companies have sophisticated metrics to predict life expectancy. There could be rules developed to allow these tools to allow people to access their superannuation early;
55. The ACTU committee has considered this issue and it is contentious;
56. It is not race based, and could be a really complex issue for the broader community as well as the Aboriginal and Torres Strait Islander community;



57. Potential sting in the tail is insurance. Can treat different segments where certain groups are disadvantaged. Also if account balance is claimed, then family would lose out on insured benefit on the death of the Aboriginal and Torres Strait Islander woman client;
58. The real solution to fixing the problem of longevity is to address the underlying health issues and particularly that of nutrition. Inadequacy of diet is the basis of the majority of Aboriginal and Torres Strait Islander women's health problems.

Issues around equity for Aboriginal and Torres Strait Islander women clients

59. We need to fix the labour market to increase equity for women generally. Women form the majority of people who work in the community service industry (Australian Bureau of Statistics, 2000); workers who work in this sector on average earn less; therefore superannuation savings are also less;
60. Why tinker with the co-contribution? This helps low income people;
61. Equity can be achieved by reforming tax rates so that low-income people do not pay tax. Also, there should be a mechanism for some low-income people to access their benefits;
62. In such cases, the families of Aboriginal and Torres Strait Islander woman clients would then miss out on insurance paid out upon the death of the client. This is a difficult decision that would have to be made by the Aboriginal and Torres Strait Islander woman client at some point in her life. The question was raised, what if she changed her mind at a later date?
63. Is there real benefit in paying superannuation on CDEP top ups, maybe recipients should be paid the money as income? Or at least have the option to take it now, rather than accumulate a really small superannuation balance.

Networks and further communication amongst the group

64. There is a IFSN (Indigenous Financial Services Network) that ASIC participates in, and superannuation has been discussed;
65. There is still the question that was raised about how we can access networks that have been suggested (by Dr Grieves) to widen the message. Having a greater understanding of the networks will allow us as an industry to identify which funds to connect to which organisations appropriately;
66. Dr Grieves: Sometimes there is a fear of doing something inappropriate when approaching Aboriginal and Torres Strait Islander women, but generally they are very tolerant of others lack of knowledge and they are appreciative when someone is trying



to help. One of the problems though is that in a group setting, people do not always want to share how much they know or don't know. In some circumstances they feel shame if they don't know the first thing about what is being said. It is important to understand that individuals mostly want to talk about financial issues in a highly confidential way. This needs a communication strategy that can perhaps open the way by general discussion in a group setting, and then offer an individual service of some kind.

Conclusion

The issues around Aboriginal and Torres Strait Islander women and superannuation are a work in progress. This project has collected significant data and the question remains as to who will take carriage of the recommendations of this report.

NATSIWA hopes that the superannuation industry will continue to be engaged in such a positive way with the needs of Aboriginal and Torres Strait Islander women clients as they have proven to be to date. The contribution of the participants of the forum is comprehensive and indicates a high degree of knowledge of the needs of Aboriginal and Torres Strait Islander women clients.



Prioritised recommendations from this report include:

- 1. The appointment of a superannuation industry-wide Aboriginal and Torres Strait Islander Ombudsman to deal with the special policy, program and communication needs of Aboriginal and Torres Strait Islander women and the Aboriginal and Torres Strait Islander community generally, to access the benefits of superannuation equitably and effectively. The function of this position would include research and recommendations for the priority recommendation below and all recommendations in this report.**
- 2. The need for employment of Aboriginal and Torres Strait Islander staff within superannuation funds to enable the development of Reconciliation Action Plans, effective promotion of superannuation issues and communication with Aboriginal and Torres Strait Islander women to ensure equitable access to the benefits of superannuation.**
- 3. A strategy is developed to ensure the effective return of unclaimed superannuation and death benefits to members of the Aboriginal and Torres Strait Islander community.**
- 4. The industry work with other areas of government to develop a strategy to assist Aboriginal and Torres Strait Islander women with formal identification to allow them to deal effectively with superannuation agencies and other agencies they need to deal with in their day-to-day lives.**
- 5. That the industry develops special initiatives to understand and work appropriately with Aboriginal and Torres Strait Islander kinship systems, especially in relation to the distribution of death benefits.**
- 6. That stress related claims for TPD and IP for Aboriginal and Torres Strait Islander women workers receive special management to properly address the needs of these clients.**
- 7. Urgent attention is given to the development of a national funeral fund for Aboriginal and Torres Strait Islander women and the broader Aboriginal and Torres Strait Islander community.**
- 8. Issues to do with the adequacy of superannuation for Aboriginal and Torres Strait Islander women, including those who are on or have formerly been on CDEP, the need for tax reform for low income earners, the efficacy of early access to**



superannuation services and the ongoing literacy and financial literacy needs of Aboriginal and Torres Strait Islander women are in urgent need of special initiatives to address these areas of inequity.



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