

CHAPTER 1:

INQUIRY BACKGROUND

Background

1.1 With the increase in the number of workers receiving superannuation since the introduction of the Superannuation Guarantee in 1992 has come the debate of the level of cover for those who move in and out of the workforce. A large number of this group are women. The debate has arisen because the retirement income system now comprises an *occupationally linked* superannuation component as well as the traditional form of retirement income in this country, the old age pension.

1.2 Prior to the introduction of award superannuation in 1986 and the Superannuation Guarantee in 1992, superannuation was generally reserved for white collar workers. Despite the impressive increase in superannuation coverage since 1992, there has been a growing concern that those members of the community who do not have the 'traditional male working pattern' of a 30 to 40 year working life may be disadvantaged by the current superannuation arrangements. Women comprise a major proportion of those whose working life does not reflect a 30 to 40 year period of paid employment. The Committee acknowledges that an increasing number of men are falling outside the 'traditional male working pattern' and, whilst this report has focused its attention on the issue of women and superannuation, much of the material is applicable to both men and women whose paid working lives are intermittent.

Terms of reference

1.3 In September 1994 the Senate Select Committee on Superannuation was given the following terms of reference:

That the following matters be referred to the Senate Select Committee on Superannuation for inquiry and report on or before the last sitting day in 1995:*

(1) The adequacy of current retirement incomes policy arrangements in meeting the needs of those members of the community, in particular women, whose participation in the workforce falls outside the traditional 30 to 40 year working life pattern.

(2) Steps which could be taken to address any deficiencies identified in paragraph (1), including the advisability of implementing the following policies:

(a) initiatives to address equity issues which arise during the contributions and benefits phases of the retirement incomes cycle; and

(b) providing superannuation support for those members of the community who experience broken labour force participation and/or are in receipt of social security payments.

(3) The implications of the Government's decision to progressively raise the pension age for women from 60 to 65.

(4) Any other relevant matters, including measures which, if implemented, would enhance the capacity of Australians to save for retirement.

- * Original reporting date 28 February 1995; amended by the Senate on 8 February 1995 and 19 September 1995

Conduct of the inquiry

1.4 The Committee invited submissions to the inquiry from individuals and organisations by placing advertisements in the print media, by writing to parties who had previously expressed an interest in superannuation and by contacting a large number of women's organisations.

1.5 The Committee received 114 written submissions.

1.6 The Committee conducted nine public hearings which were held in Melbourne on 15 March 1995; in Sydney on 27 and 28 April 1995; in Brisbane on 2 May 1995; in Canberra on 31 May, 6 June, 20 June, 27 June, and 1 August 1995. The Committee heard evidence from 85 witnesses during these hearings.

1.7 In order to facilitate discussion of the issues raised in its inquiries, the Committee agreed that unless otherwise ordered written submissions would be published on receipt. For the same reason, the Committee decided that the uncorrected Hansard transcripts would be circulated as soon as they became available. Oral evidence is cited by reference to Hansard as 'Evidence, p XX'. References to written submissions are by their registration number: 'SW Sub No XX'.

1.8 The Committee records its appreciation of the written submissions and oral evidence made to the inquiry. The Committee particularly notes the

contribution of Mr Frank Burke, of the Australian Society of Certified Practising Accountants, who, sadly, has passed away since he appeared before the Committee at its Melbourne hearing.