

## **Senate Economics References Committee Inquiry: Economic security for women in retirement**

### **Coalition Senators' additional comments:**

#### **Inquiry findings**

1.1 Coalition members welcome the committee's interest in investigating the gender retirement income gap and its focus on improving the economic security of women in retirement.

1.2 The committee has heard that women have lower superannuation balances as a result of lower lifetime earnings. Reasons for this include but are not limited to:

- the gender pay gap
- women having more breaks in their career for family and other reasons
- women representing a higher proportion of the part-time workforce than men

1.3 This translates into lower contributions and less capacity to make voluntary contributions. As a result, women are more likely to rely on the Age Pension. This is particularly problematic because women live longer than men.

1.4 Improving gender equality and female participation in the workforce is essential to boosting Australia's productivity and our economic growth. It is also essential to closing the retirement savings gap between men and women.

1.5 The committee has heard that closing the gender gap in lifetime earnings would do the most to improve the retirement savings of women.

1.6 Coalition members note the legal framework of superannuation is gender-blind; with the same rules applying to women as to men.

1.7 The committee has heard a range of suggestions on how we can bridge the gap. The challenge is how we can target changes to where they will make the most difference to savings behaviour and retirement incomes.

1.8 The Government has engaged in a considered and thorough process on how we can make our tax system better, including taking a comprehensive look at superannuation. Coalition members note the 2016-17 Budget will be released within days of releasing this report.

#### **Recommendations:**

1.9 Coalition members express concerns regarding recommendation 1. The independent Productivity Commission recently conducted a review of the workplace

framework and received submissions which dealt with the equal remuneration provisions of the Fair Work Act.

1.10 Coalition members note that the issue of the gender pay gap is complex and not caused by any one factor. Central to the solution is to boost female workforce participation, and measures to promote female participation should be the primary consideration rather than another review.

1.11 Coalition members express concerns regarding recommendation 13 and note that increases in the superannuation guarantee are largely funded from reductions in take-home wages. The current phasing puts more money in employees' pockets while, boosting near-term economic activity.

**Senator Sean Edwards**  
**Deputy Chair**

**Senator Dean Smith**  
**Liberal Party Senator Western Australia**