

**Key Policy in discussion**

**SUPERANNUATION**

**Portfolio and or agency**

**Treasury**

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### **Overview**

Women have lower superannuation balances, on average, than their male counterparts. Women receive about a third of superannuation income compared to men and government benefits account for about 60% of their income. This reflects the gender pay gap, which results in lower lifetime earnings by women. This is compounded by the interrupted, casual and part time work patterns of many women during their child-rearing years. Both issues must be addressed. Addressing pay rates for the caring professions and job insecurity, bias and discrimination in hiring will help to close the gender pay gap. Carer credits should be paid to top up the superannuation of people who have left the paid labour market to care for children, elderly parents and other family members.

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### **Budget Measures**

There are no substantive changes to superannuation in the 2022-23 Budget other than to continue to allow retirees to withdraw half of the legislated required withdrawal rates from their superannuation. This was introduced in the year ended 20 June 2020 as one of the COVID measures. Superannuation fund balances have substantially recovered since then, however the war in the Ukraine has affected global financial markets, and is being cited as the reason for the extension of the reduction. Superannuation fund members can withdraw higher rates than the legislated minimum. The people most likely to benefit are retirees with substantial superannuation balances who do not need to withdraw the minimum amount, but will continue to benefit from the lower tax rates in the superannuation fund.

In our [pre-budget briefing on superannuation](#) we raised a number of questions around priority policies for women that need to be addressed. Some of these are not budget matters. Of those that are, how effective was the budget response? Is there a corresponding Opposition measure?

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The National Foundation for Australian Women is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres, and ensuring that the aims and ideals of the women's movement and its collective wisdom are handed on to new generations of women. NFAW is a feminist organisation, independent of party politics and working in partnership with other women's organisations.

Authorised by the National Foundation for Australian Women, Canberra: President Ms Jane Madden.

**1. If elected, will your government pay superannuation guarantee on Commonwealth Parental Leave Pay, and ensure that employers are required to pay superannuation guarantee on paid parental leave?**

The Government did not address this in the budget, but earlier in March 2022 it [was reported](#) that the Morrison Government had rejected proposals to include superannuation on the Commonwealth PPL scheme as part of the Budget deliberations.

The ALP Women's Budget Statement is silent on this point. The commitment to increase superannuation rates to 12% over the next three years is not a change to the current law as it reflects the currently legislated schedule to reach 12% by 1 July 2025 (*Superannuation Guarantee (Administration) Act 1992*; s. 19).

The Greens policy supports the payment of superannuation guarantee on Paid Parental Leave.

**2. Do you support a system of carer credits and government contributions to support superannuation for people who are not in the paid labour market due to caring responsibilities?**

This was not addressed in the budget statements from either the Government or Labor.

**3. In August 2021 the National Cabinet agreed to develop a Framework for Measuring Progress of Women's Economic Security. What is the progress on that initiative, and if elected will you progress that process?**

The Women's Budget Statement reports that in November 2021 all States and Territories agreed to provide public sector data to the WGEA database to strengthen the data set. This is welcome as it rectifies a significant shortcoming in the data.

The Office for Women is working with state and territory governments to establish a National framework, identifying programs to develop Women's Economic Security, however there are no clear targets or timeframes set out in the Budget papers.

**4. If elected, would your government support work value cases before the Commission seeking increases in wages for care workers?**

The Government has not committed to support the work value case.

The ALP has indicated in the Budget Address in Reply that it will support the Aged Care Work Value case currently before the Fair Work Commission, and will fund the increase within the budget process. However it has not specified the extent to which it will support the claim.

In Labor's Women's Budget Statement it commits to addressing the gender pay gap by regulatory changes focused on both pay and on insecure work and working conditions in feminised and casualised sectors of the economy.

Refer to the NFAW Employment paper for more details.

**5. What steps would your government take to reduce the gender pay gap by addressing gender bias and discrimination in the workforce?**

The World Economic Forum lists Australia at 50 in the [Global Gender Gap Index 2021 rankings](#), a fall of 6 places from 2020. The Women's Budget Statement notes that the gender pay gap has fallen, however the data must be qualified by noting the instability of employment and wages during COVID. WGEA funding was increased prior to the budget to fund an expansion of data collection to include public sector data. There are

a number of programs to support specific initiatives, including women in leadership; women in STEM and digital technology; and women in apprenticeships, however these programs miss the point and do not address the systemic issues in the service sector that affect the majority of women.

The Labor Women's Budget Statement states that the ALP will address the gender pay gap by introducing measures to address insecure work; reduce casualisation; enable the Fair Work Commission to address low pay rates in low paid, feminised industries; require companies to publish the gender pay gap and prohibit pay secrecy clauses.

For further discussion refer to the NFAW Employment paper.

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**Questions that still need to be raised in the run up to the election.**

- 6. Do you support a system of carer credits and government contributions to support superannuation for people who are not in the paid labour market due to caring responsibilities?**