



Australia's Future Tax System Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600
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Dear Secretariat,

Submission on the Retirement Income System

The YWCA Australia welcomes the opportunity to make a submission on the Retirement Income System as part of the inquiry into Australia's Future Tax System.

The YWCA is a global network of women advancing social justice and creating opportunities and services for the development of women and their families. Through our state-based local associations, we offer a range of programs aimed at developing women's leadership and promoting gender equality. As a not-for-profit organisation with a focus on addressing the needs of women and girls, a feminist agenda informs our work.

This submission focuses on the experiences of young women as they study and work in unstable employment for longer before encountering the further challenges of child-rearing. The submission recommends measures to make it easier for young women to generate retirement savings, as well as ways the government can support women's workforce participation across the life-course.

Please do not hesitate to contact me on 02 6230 5150 if you have any queries or would like to discuss these issues further with the YWCA Australia.

Yours sincerely,

A handwritten signature in cursive script that reads 'Caroline Lambert'.

Caroline Lambert
Executive Director
YWCA Australia

27 February 2009

YWCA Australia
Submission on the Retirement Income System
For the Inquiry into Australia's Future Tax System

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About the YWCA Australia

The YWCA is a global network of women advancing social justice and creating opportunities and services for the development of women and their families.

Through our state-based local associations, we offer a range of programs aimed at developing women's leadership, promoting gender equality and creating positive change in communities.

As a not-for-profit organisation with a focus on addressing the needs of women and girls, a feminist agenda informs our work.

Consolidated recommendations

Principles for gender equity in the retirement system

We recommend that a rigorous gender analysis be applied as part of the government's response to this inquiry, drawing on existing human rights tools and guidelines.

We recommend that the government investigate and consider broad reforms to the retirement income system, such as the creation of a national public contributory scheme.¹

¹ See Patricia Apps, 'Women and Retirement Incomes', 21 January 2009, and discussion below.

The Superannuation Guarantee

We recommend that the Superannuation Guarantee (SG) percentage should be maintained as it is, unless the SG is to be replaced by a more equitable comprehensive scheme, but that other strategies be put in place to address the underlying problems limiting women's retirement incomes.

We recommend that the \$450 monthly threshold for SG contributions be abolished.

We recommend that the government consider developing a public default fund for casuals, with the choice for employees to opt out and select their own fund.

We recommend that the SG be extended to maternity leave and the Community Development Employment Program (CDEP).

Supporting women's workforce participation and retirement saving

The tax/payment system

We recommend that Family Tax Benefit Part B be reformed to ensure that all families, regardless of their shape (ie whether they are single parent or two parent families) and working arrangements (ie whether they have one or two income earners, and how much each earns), receive an equal amount of Family Tax Benefit, so that the amount of Family Tax Benefit paid is dependent only on the total family income, the number of children in a family, and the ages of those children.

We recommend that tax concessions on superannuation contributions for high income people should be limited, and the tax concession scheme be reformed to make it more progressive.

Closing the gender pay gap

We recommend that gender pay equity be incorporated as a key goal and institutional reform within the Award Modernisation Process and associated developments.

We recommend that the government review the pay and conditions that apply in industries and occupations where women are concentrated, such as nursing, childcare and teaching, and develop and implement programs of action to improve pay and conditions in these areas.

Other measures to increase workforce participation and retirement savings

We recommend that the government take the following steps to support women's workforce participation:

- **Introduce paid maternity leave as an employment entitlement to support workforce attachment;**
- **Ensure that a greater number of affordable child-care places are provided, including out of school hours care and school vacation care;**
- **Increase educational opportunities and subsidies for young mothers (but *not* punitive measures like the participation requirements for single mothers on Parenting Payment);**
- **Increase and improve training for women transitioning in and out of the workforce, to ensure skills are kept up-to-date and employability maintained.**

Information and education about retirement savings

We recommend that the government extend its support for the public and community-based provision of impartial information about saving for retirement, in ways that are accessible for young women and respectful towards them.

Introduction

One of the most widely-acknowledged weaknesses of Australia's retirement income system is its failure to provide women with equitable and adequate incomes in retirement. As the government's consultation paper observes:

On average women have lower earnings than men. Many women have greater career interruptions than men, and many are more likely to work part-time due to caring responsibilities. This means the ability of many women to save and contribute to superannuation is more limited than for many men.²

Older women's lower superannuation balances and more limited sources of other income force them to rely to a greater extent than men on the Aged Pension, which does not provide for a comfortable standard of living. Extensive research studies, together with other submissions to this inquiry, have established that the retirement income system does not deliver equitable outcomes for women.

The focus of the present submission is on a more specific set of issues: young women's changing workforce experiences as they grow older; how these patterns affect retirement income; and what measures could be taken to ensure that young women are later able to achieve adequate standards of retirement income.

Young women, workforce participation and retirement savings

The Superannuation Guarantee: not a gender equity tool

Prior to the introduction of the Superannuation Guarantee (SG) in 1992, retirement savings were on a voluntary basis only, meaning that those with the least capacity to divert income from essentials (that is, low income groups in which women are concentrated) were unlikely to accrue any savings. One result of this is that women now retiring are only able to access much lower retirement savings than men: in 2006, women's average retirement payouts were less than half those of men.³

² Commonwealth of Australia, Australia's Future Tax System: Retirement Income Consultation Paper, December 2008, pp. 5–6.

³ Women: \$63,000; men: \$136,000. Source: Association of Superannuation Funds of Australia (ASFA), 'Retirement Balances on the Increase—But more Savings Effort Still Required', media release, 11 February 2008.

With the introduction of the SG, superannuation was made more 'accessible' to some low income workers, and the superannuation balances of low income groups, including many women, are increasing as a result.⁴ As the SG system 'matures' over time, women who retire and receive an income from the SG will have spent a greater proportion of their working lives with coverage from the SG and will theoretically have accrued greater superannuation balances as a result.⁵ Added to this is the (very) slow convergence of women's and men's work patterns, which has seen gradual increases in the proportion of men working in casual jobs⁶ and slight rises in the proportion of employed women working in 'standard' jobs.⁷

Together, however, these trends do not come close to addressing the gender gap in workforce patterns and associated retirement income savings.⁸ The extent of convergence in paid work patterns is severely limited by the persistence of the gender pay gap and gender differences in unpaid and caring work, despite pro-equality attitudes among young women and, to a lesser extent, young men.⁹ Furthermore, while gradual improvements in gender equity are projected, we believe there are life-course issues affecting young women now and in the coming decades that will work against any 'natural' levelling-out between women's and men's retirement incomes in the future.

Young women's workforce participation

The 2007 NATSEM/AMP report on 'Generation Y' (those born between 1976 and 1991) found that the 'gender divide [is] still alive and well', with a full-time gender pay gap ranging from \$34 to \$135 per week.¹⁰ The gap is evident despite this group of young women being *better* qualified than men (46 per cent of women holding post-

⁴ Ross Clare, *Are retirement savings on track?* Association of Superannuation Funds of Australia, June 2007.

⁵ Ross Clare, 'Women and Superannuation', Paper to the Ninth Annual Colloquium of Superannuation Researchers, July 2001, pp. 2, 21–23.

⁶ Iain Campbell, 'The Spreading Net: Age and Gender in the Process of Casualisation in Australia', *Journal of Australian Political Economy*, no. 45, June 2000, pp. 68–99; Australian Bureau of Statistics (ABS), *Year Book Australia*, 2006, 'Casual Employees', cat. no. 1301.0.

⁷ ABS, *Forms of Employment*, 1998, cat. no. 6359.0, Table 2; ABS, *Forms of Employment*, 2007, cat. no. 6359.0, Table 2.

⁸ Clare, 'Women and Superannuation'.

⁹ Barbara Pocock, 'Work and Care futures: What young Australians say about work, care and their own future', Presentation at Griffith University, 22 October 2004.

¹⁰ AMP/NATSEM, *Generation whY? AMP/NATSEM Income and Wealth Report*, no. 17, July 2007, p.20.

school qualifications compared with 42 per cent of men). Single 'Gen Y' women were found to have on average 30 per cent less in assets than the corresponding group of young men, amounting to a difference of \$25,000.¹¹ These findings suggest that the capacity of young women to save for their retirement is already more limited than men, and indeed single 'Gen Y' women have approximately one-third less superannuation than single 'Gen Y' men.

The occupational status of both young men and young women in their teens and 20s is increasingly characterised by extended study and casual jobs.¹² Although the gap may be narrowing, young women are more likely than young men to be in casual employment.¹³ Multiple job-holding is a related and increasingly prominent feature of the labour market. Women are more likely than men to hold multiple jobs, and rates of multiple job-holding increased steadily over the 1990s and into the 2000s.¹⁴ During this period, the gender gap in multiple job-holding also increased. In July 2007, 7.7 per cent of all employed women held multiple jobs, compared with 5.3 per cent of employed men.¹⁵ For every age group the proportion of employed women in multiple jobs was greater than the corresponding proportion of men. In the age group 15–24, 7.1 per cent of employed women had more than one job, compared with 4.5 per cent of young men. The most striking contrast was for 25–34 year olds: 9.3 per cent of employed women in this age group held multiple jobs, compared with 5.9 per cent of men. For women in highly feminised occupations such as child-care or cleaning, second jobs appear to be a direct response to the low wages paid in those industries (but second jobs are not always enough to prevent poverty).¹⁶

Multiple job holding affects retirement savings in several ways. Those with multiple jobs are more likely than other workers to fail to meet the \$450 threshold for Superannuation Guarantee payments in one or both of their jobs (although they may meet the threshold in aggregate). Multiple job-holders are also more likely, with

¹¹ AMP/NATSEM, *Generation whY?*, p. 1.

¹² ABS, *Year Book Australia*, 2006, 'Casual Employees'.

¹³ ABS, *Forms of Employment*, 2007, cat. no. 6359.0. Table 2.

¹⁴ ABS, *Australian Labour Market Statistics*, April 2004, cat. no. 6105.0, 'Feature Article—Spotlight on Multiple Job Holders'.

¹⁵ These figures include businesses as well as jobs, but businesses are a relatively small proportion of the total, particularly for women. ABS, *Employment Arrangements, Retirement and Superannuation*, 2007, cat. no. 6361.0, p. 26.

¹⁶ Helen Masterman-Smith, Robyn May, and Barbara Pocock, 'Living Low Paid: Some Experiences of Australian Childcare Workers and Cleaners', 2006, http://www.bsl.org.au/pdfs/Living_Low_Paid_V2.pdf p. 11.

casual employees generally, to have 'lost' savings in various superannuation funds. Both of these problems are addressed in the recommendations below.

Another significant labour market pattern is the growth of contract work, as more Australian workers have taken on the status of self-employed contractors rather than employees. While some young people deliberately plan to develop small businesses and may gain benefits from contracting arrangements, advocacy and watchdog bodies have identified problems.¹⁷ Some young people have been recruited into what would otherwise be ordinary jobs but forced, as a condition of employment, to obtain ABNs (Australian Business Numbers) and to accept responsibility for their own insurance and other liabilities.¹⁸ While some protections have been introduced,¹⁹ many contractors do not have access to the Superannuation Guarantee and (especially if they are young and low-paid) are unlikely to make voluntary contributions from their earnings.

Divergent care and work patterns

After about 25 years of age, men's and women's employment patterns diverge further as a result of child-rearing.²⁰ Men are relatively more likely to consolidate their careers and find steadier employment, whereas a higher proportion of women are likely to reduce their workforce attachment or develop (or continue) patterns of intermittent engagement. Often, this takes the form of casual part-time work. The main reasons given by women for working part-time in casual jobs are education (39 per cent) and care of children (21.5 per cent).²¹ The Productivity Commission's recent study concluded that casual employment can be a useful 'stepping stone' to ongoing employment, but that some groups, including married women, are at a higher risk of 'churning' between casual employment and withdrawal from the labour force.²² The

¹⁷ House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, *Report on an inquiry into Independent Contracting and Labour Hire Arrangements*, 2005, p. 124.

¹⁸ See for example Fair Employment Advocate (Western Australia), 'Vulnerable Workers: Young People', Fair Employment discussion paper 3, April 2008.

¹⁹ Employers are obliged to pay the Superannuation Guarantee for contractors where the payment is for a person's labour rather than for results. See Commonwealth of Australia, *Guide for employers: Superannuation guarantee— How to meet your super obligations*, 2008. p. 6.

²⁰ ABS, *Australian Social Trends*, 2001, cat. no. 4102.0, 'Paid Work: Trends in employment population ratios'.

²¹ Productivity Commission, *The Role of Non-Traditional Work in the Australian Labour Market*, May 2006, p. 147.

²² Productivity Commission, *The Role of Non-Traditional Work*, p. 95.

restricted entitlements associated with casual work are well-documented,²³ and the links between women's low retirement savings and casual work have long been established.²⁴

There is a long-run trend of women 'delaying' childbearing. Yet because young women and men are spending longer in education and unstable employment generally, 'delaying' childbearing is not necessarily leading (as much as might be expected) to women's career consolidation. Many women are not finding themselves with a strong career platform from which they can embark on childbearing with confidence about their longer-term employment and savings prospects. In contrast, because of the gendered division of childcare and domestic responsibilities, men are relatively better positioned.²⁵

The potential collision for young women between extended periods in education and unsteady employment and the commencement of child-rearing is particularly important for their retirement incomes. In general, retirement savings accumulated earlier in life have a more positive impact on ultimate retirement incomes than savings accumulated later in life because they accrue interest for longer. This means that to 'catch up' to a given retirement savings balance later in life, a person would need to contribute a greater dollar figure.

Thus far, the submission has presented its analysis in terms of 'young women' and 'young men' generally. It should be understood, however, that in both of these groups there are relatively more advantaged and relatively more disadvantaged people. In particular, the position of Aboriginal and Torres Strait Islander women and men, migrants and refugees, and people with a disability require special consideration.

²³ Iain Campbell, 'Casual work and casualisation: how does Australia compare?', *Labour and Industry*, vol.15, no. 2, December 2004, pp. 85–111.

²⁴ Clare, 'Women and Superannuation'.

²⁵ Jennifer Baxter, Matthew Gray, Michael Alexander, Lyndall Strazdins, and Michael Bittman, 'Mothers and fathers with young children: paid employment, caring and wellbeing', Social Policy Research Paper No. 30, 2007.

Recommendations

Principles for gender equity in the retirement system

While the recommendations here focus on supporting women's workforce participation, the YWCA Australia urges the government to fulfil its responsibility to ensure an adequate retirement income for all people regardless of their work history. Although we believe the government should aim to promote a more even distribution of paid and unpaid work between women and men, it is likely that women will continue to spend more time than men outside the labour force as a result of their caring responsibilities. There are also many other reasons, such as unemployment, disability and illness, why people experience intermittent patterns of paid work. As the National Foundation for Australian Women's (NFAW's) submission to this inquiry explains, the International Covenant on Economic, Social and Cultural Rights lays out signatory states' responsibility to ensure the equal enjoyment of the right to social security by all people, including a decent standard of living in retirement. We believe that the equal right of all people to social security in old age should be adopted as the overarching principle for developing the retirement income system. While issues relating to the Age Pension system are clearly relevant here, this submission does not directly address them. On pension issues, we draw the inquiry's attention to the NFAW submission mentioned above.

For government to meet its responsibility to protect the right to social security for all, the proposed design of the retirement income system, and any reforms to it, must be analysed in a transparent way to determine their effects on equity. This analysis needs then to be used to inform the selection of options for implementation, so that the system that emerges will work towards more equitable outcomes. Unless the federal government applies a rigorous gender analysis to any program of reform arising from this inquiry, it is very likely that any new retirement income system will reproduce or even intensify gender inequalities. Existing resources provide useful guides to gender analysis for budget and retirement income system development.²⁶

²⁶ Diane Elson, *Budgeting for Women's Rights: Monitoring Government Budgets for Compliance with CEDAW*, Unifem, May 2006; UN Committee on Economic, Social and Cultural Rights, 'General Comment No. 19: The right to social security' (Art. 9 of the Covenant). See also the NFAW submission to this inquiry.

Recommendation:

We recommend that a rigorous gender analysis be applied as part of the government's response to this inquiry, drawing on existing human rights tools and guidelines.

In responding to this inquiry, the government will face the question of whether to consider more extensive reforms to the system, or to confine itself to minor changes. While the YWCA Australia is clearly not in a position to conduct the kind of modelling and policy development that would be required, we urge the government to consider more thorough-going reforms, such as Professor Patricia Apps' proposal to create a defined-benefit public contributions scheme.²⁷ In particular, the extent to which retirement incomes should continue to be based to such a large extent on individual lifetime earnings needs to be addressed. The semi-privatisation of retirement savings in the form of the Superannuation Guarantee has delivered very mixed results in terms of gender equity, and we believe that other options should be explored.

Recommendation:

We recommend that the government investigate and consider broad reforms to the retirement income system, such as the creation of a national public contributory scheme.

Within the current system, responses to women's unequal retirement incomes have generally been of two types: those that promote greater individual responsibility for and control over retirement incomes (such as financial literacy programs); and those that propose further collective efforts towards eliminating poverty and promoting equity in old age. The YWCA of Australia believes that while financial literacy programs can be very valuable,²⁸ these are not on their own sufficient to ensure that the present generation of young women achieves a comfortable retirement free of poverty, on par with men. Without broader changes to support women's economic well-being, advice about how to enhance personal retirement incomes will continue to be of use mainly to those who are in a position to set aside savings from their present income. To the extent that the retirement income system continues to be

²⁷ Apps, 'Women and Retirement Incomes'. Apps' paper is included as Attachment A to the National Foundation for Australian Women (NFAW) submission to this inquiry.

²⁸ Indeed, the State and Territory YWCA bodies provide some such programs. See for example YWCA NSW's Hip Pocket financial education workshops, discussed in greater detail below.

based on paid employment, the government response needs to include broad reforms beyond the superannuation system, to make it easier for women to retain decently-paid work across their lifetimes.

The Superannuation Guarantee

The YWCA Australia understands that there is considerable discussion about whether the Superannuation Guarantee (SG) should be maintained, increased, decreased or abolished altogether. As outlined above, the SG alone is not able to deliver gender equity in the retirement income system. However, it is increasingly providing one stream of savings for women (and men) and unless it was replaced with a more equitable comprehensive scheme, decreasing or abolishing the SG may impact negatively on women's retirement savings. On the other hand, while proposals to increase the SG have as one aim increased retirement savings for all, including women, such an increase would not address the gender disparity that is at the heart of this submission's concerns.

Recommendation:

We recommend that the SG percentage should be maintained as it is, unless the SG is to be replaced by a more equitable comprehensive scheme, but that other strategies be put in place to address the underlying problems limiting women's retirement incomes.

As discussed above, young women are among those most likely to be in casual employment and engaged in multiple jobs. Currently, the SG is of most use to those in stable full-time employment over several years. One aspect of the current SG system that is particularly disadvantageous for young women in casual and multiple jobs is the \$450 monthly threshold for contributions. The impact of the \$450 threshold has been modelled by Alison Preston and Siobhan Austen of the Women's Economic Policy Analysis Unit at Curtin University of Technology. They show how a woman who spends several years of her working life employed 24 hours per week in two jobs (rather than one), and earning just under the threshold in one of her two jobs, can end up with a level of superannuation at retirement that is 20 per cent lower than

it would be if all her hours of work were done in a single job.²⁹ While urging broader analysis and reform of Australia's retirement income system, Preston and Austen argue that removal of the \$450 threshold would clearly benefit some of those women who are most at risk of achieving low retirement savings under the current employment-linked superannuation system.³⁰ While we are aware of concerns that abolishing the \$450 threshold may impact negatively on job offers and wage rates for vulnerable workers, unless compelling evidence confirms that such an outcome is likely, the equity benefits to be gained by abolishing the threshold should be given precedence.

Recommendation:

We recommend that the \$450 monthly threshold for Superannuation Guarantee contributions be abolished.

Another problem is the tendency for casual employees to accumulate multiple superannuation funds, leading to higher fees, 'lost' funds and disengagement from the superannuation system. To address this problem, the 2006 report of the House Standing Committee on Economics, Finance and Public Administration's inquiry into improving the superannuation savings of people under 40 recommended that a default fund for casual, multiple-job employees should be established, provided employees had the option to select their own fund.

Recommendation:

We recommend that the government consider developing a public default fund for casuals, with the choice for employees to opt out and select their own fund.

The key reason why women are likely to have relatively lower retirement savings is because of their time outside regular employment. In addition to increasing women's access to employment (see below), another way to bolster retirement savings would be to extend the SG to those forms of income that do not currently attract it. One particularly glaring inequality is that while the SG is calculated on ordinary time earnings, which includes sick leave and recreation leave, employers are not required to pay the SG on paid maternity leave (that is, where such leave is already provided,

²⁹ Alison Preston and Siobhan Austen, 'Women, Superannuation and the Superannuation Guarantee', Discussion Paper no. 14, Women's Economic Policy Analysis Unit, Curtin University of Technology, July 2001, p. 17.

³⁰ Preston and Austen, p. 22.

in the absence of a universal scheme). Another unjustifiable exemption is the government-funded Community Development Employment Program (CDEP), in which Aboriginal and Torres Strait Islander workers (both women and men) are not eligible for the SG.

Recommendation:

We recommend that the SG be extended to maternity leave and CDEP.

Supporting women's workforce participation and retirement saving

The tax/payment system

More general reforms to the tax system are required to remove disincentives and tax penalties for 'secondary' earners (see Apps paper). Although Australia notionally has an individually-based income tax system, the interaction of family payments and other benefits with the tax system means that there are insufficient incentives for women and men within families to more equitably share paid and unpaid labour. As explained by Apps and others, Family Tax Benefit B is one of the main problems. Through this payment, the system discriminates against those couples who try to share paid work and care more equitably, and therefore actively undermines women's workforce attachment, with negative lifetime consequences. As Family Tax Benefit B is also paid to single parents, who are already among those most likely to live in poverty, any reforms to this payment system should ensure that single parents are not disadvantaged.

Recommendation:

We recommend that Family Tax Benefit Part B be reformed to ensure that all families, regardless of their shape (ie whether they are single parent or two parent families) and working arrangements (ie whether they have one or two income earners, and how much each earns), receive an equal amount of Family Tax Benefit, so that the amount of Family Tax Benefit paid is dependent only on the total family income, the number of children in a family, and the ages of those children.³¹

³¹ See YWCA Australia, Submission to the Inquiry into Australia's Future Tax System, 1 October 2008.

There are also serious inequities in the tax concessional treatment of superannuation, with high income earners (of whom women are relatively few) benefiting disproportionately and lower income earners (of whom women are relatively many) receiving little if any benefit. Professor Apps notes that revenue gained from limiting superannuation tax concessions could be used to reduce effective marginal tax rates for second earners working long hours.³²

Recommendation:

We recommend that tax concessions on superannuation contributions for high income people should be limited, and the tax concession scheme be reformed to make it more progressive.

Closing the gender pay gap

Women's lower lifetime earnings are the principal cause of their lower retirement incomes in a system in which retirement savings are linked to paid employment. While some of the difference in women's lifetime earning results from more time spent outside paid work, a significant amount of the difference arises from women's lower earnings while they are in employment. As noted above, the gender pay gap persists even for younger women, who have made significant gains in terms of education relative to earlier generations.

Two related aspects of the gender pay gap on which government can act are the relatively high coverage of women by the minimum rates established in industrial Awards, and the concentration of women in low paid industries and occupations, in part due to the opportunities for flexible working hours that such industries provide. The federal government has considerable influence over the way these factors impact on the gender pay gap.

In regard to Awards, the Women's Electoral Lobby and National Pay Equity Coalition's joint submission to the current pay equity inquiry makes several

³² Apps, 'Women and Retirement Incomes'.

constructive, specific recommendations, to which we draw the inquiry's attention.³³ Broadly, the YWCA Australia's recommendation to the present inquiry is as follows.

Recommendation:

We recommend that gender pay equity be incorporated as a key goal and institutional reform within the Award Modernisation Process and associated developments.

The gendered pay disadvantages that arise from women's concentration in low paid industries and occupations are also amenable to government intervention. This is in part because many of the low paid industries in which women work are largely funded and regulated by government, such as health, education and community services. The federal government therefore has the opportunity, in conjunction with State and Territory governments, to improve pay rates for these vital jobs.

Recommendation:

We recommend that the government review the pay and conditions that apply in industries and occupations where women are concentrated, such as nursing, childcare and teaching, and develop and implement programs of action to improve pay and conditions in these areas.

Other measures to increase workforce participation and retirement savings

There are a range of other steps that need to be taken to increase women's workforce participation and therefore retirement savings. These are merely listed here, but other submissions, such as the NFAW submission, give further details.

Recommendation:

We recommend that the government take the following steps to support women's workforce participation:

- **Introduce paid maternity leave as an employment entitlement to support workforce attachment;**
- **Ensure that a greater number of affordable child-care places are provided, including out of school hours care and school vacation care;**

³³ National Pay Equity Coalition and Women's Electoral Lobby Australia, Submission to the House of Representatives Employment and Workplace Relations Committee's Inquiry into Gender Pay Equity, 30 September 2008.

- **Increase educational opportunities and subsidies for young mothers (but *not* punitive measures like the participation requirements for single mothers on Parenting Payment);**
- **Increase and improve training for women transitioning in and out of the workforce, to ensure skills are kept up-to-date and employability maintained.**

Information and education about retirement savings

The superannuation system does poorly at engaging young people, women and people on low incomes, partly because of the perceived inaccessibility of information and vested interests in the system.³⁴ The mixture of compulsion with decentralised private commercial management of funds, may engender cynicism and a lack of engagement and trust. For this reason the review of superannuation for under-40s recommended requiring funds to offer personalised projections of savings and payouts as a way to engage people. Yet there is also a need for information from other, public or community-based, sources.

Drawing on their study of women's retirement savings attitudes and practices, the Women's Economic Policy Analysis Unit argues that 'public policy, directed at providing impartial information and education, implemented at a relatively local level, could assist those with some financial flexibility to undertake steps towards improved long term financial planning.'³⁵ These programs need to challenge, rather than reinforce, widespread patronising assumptions about young people (and young women in particular) being ignorant and irresponsible about money.³⁶

To a degree, the kind of programs required are already being implemented, as in the Hip Pocket financial education workshops delivered by the YWCA NSW to approximately 2,500 young people last year. There remains more scope for government to support the public and community-based provision of readily-understood information about saving for retirement.

³⁴ Women's Economic Policy Analysis Unit (WEPAU), Curtin University of Technology, Submission to the House of Representatives Standing Committee on Economics, Finance and Public Administration Inquiry into Improving the Superannuation Savings of People Under Age 40, 2005, p. 20.

³⁵ WEPAU submission, p. 20.

³⁶ AMP/NATSEM, *Generation why?*.

Recommendation:

We recommend that the government extend its support for the public and community-based provision of impartial information about saving for retirement, in ways that are accessible for young women and respectful towards them.