

Australia: McKell Institute suggests ways to tackle women's low-income retirements ^[1]

Author: Ford, Sean

Source: The Advocate

Format: Article

Publication Date: 15 Oct 2017

AVAILABILITY

Read online ^[2]

EXCERPTS

Low superannuation balances which have many Tasmanian and mainland women staring at low-income retirements could be partly fixed with taxpayer cash while decreasing future pension costs.

That is the view of the left-leaning McKell Institute, which found the average super balance for Australian women at retirement was about half that of men.

It also found men's median (mid-point) superannuation balance was about \$100,000, while it was just \$28,000 for women.

The figures would be likely to be even worse for Tasmanian women, given the state's relatively low average incomes.

Australian Bureau of Statistics figures for 2015 showed the average annual income from superannuation and annuities for Tasmanians who had them was \$26,523, which was \$1410 less than the national figure.

The institute said the gender pay gap played a significant role in women's low super balances, but the report focused on improving super contributions for women when they were on maternity leave or were receiving other forms of government payments.

The Guaranteeing Women's Super report, by Tristan Durie and Edward Cavanough, made eight recommendations, including the federal government funding:

- A super contribution up to the equivalent of 12 per cent of the minimum wage for new parents receiving Commonwealth paid parental leave; and
- 12 per cent superannuation for people receiving parenting or carer payments.

It said the recommendations would boost the average woman's annual income in retirement by about \$4100.

"Overcoming this challenge will cost money, but it's an investment," the report said.

"Our modelling demonstrates that for every dollar applied to our proposals, the government will save around \$2 over the longer term in reduced age pension expenditure."

Tasmanian Liberal Senator Eric Abetz said: "The McKell Institute is right to identify the fact that women leaving the workforce for childcare reasons does have a compounded impact later in life."

"What is disappointing, though, is that the McKell Institute opposed the Coalition's paid parental leave, which would have ensured for the first time that superannuation would be paid at the same rate, effectively overcoming the primary issue.

"Further, the government has embarked on major childcare reform to make it cheaper and more accessible so that families have more choices in meeting their childcare obligations."

Comment was being sought from federal Labor.

-reprinted from The Advocate

Related link:

Region: Australia and New Zealand ^[3]

Tags: child care ^[4]

poverty ^[5]

workforce [6]

gender [7]

mothers labour force participation [8]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/child-care-news/17/10/australia-mckell-institute-suggests-ways-tackle-women%E2%80%99s-low-income>

Links

[1] <https://childcarecanada.org/documents/child-care-news/17/10/australia-mckell-institute-suggests-ways-tackle-women%E2%80%99s-low-income> [2] <https://www.theadvocate.com.au/story/4989228/womens-super-boost-bid/> [3] <https://childcarecanada.org/category/region/australia-and-new-zealand> [4] <https://childcarecanada.org/category/tags/child-care> [5] <https://childcarecanada.org/category/tags/poverty> [6] <https://childcarecanada.org/category/tags/workforce> [7] <https://childcarecanada.org/category/tags/gender> [8] <https://childcarecanada.org/taxonomy/term/8942>