

The 'great inequality' of women's super

Maria Harper has four kids, four jobs and almost no super.

The 42-year-old divorced single mother is one of a growing number of Australian women who face hitting retirement age with very little in the bank. On average, they have 53 per cent of the super savings of men.

Their prime working years have been interrupted by child birth, while the three-decade old system of superannuation has failed to keep up with an increasingly flexible workforce.

The problem is as much structural as it is social.



Cara Bradley is concerned the current superannuation laws trap women. CREDIT:JUSTIN MCMANUS.

Women, who make up 70 per cent of all part-time employees, take on multiple jobs at once for lower wages and are more likely to have their super trimmed from the outset by a 30-year-old rule that stops any earnings under \$450 from an employer in a month from attracting superannuation.

Of the four jobs that Ms Harper juggles in bars, administration, merchandise and social work, only one- her part-time role with a welfare agency attracts any super at all- taking her total balance up to \$25,000.

"I'm going to look at my children and say you have to look after your own mum," she said.

A parliamentary inquiry into women's economic security called "a husband is not a retirement plan" recommended abolishing the cap last year.

It heard evidence from Per Capita that 23 per cent of men have balances over \$500,000 while only 4 per cent of women do. A quarter of all women have balances less than \$50,000.

"The \$450 cap is an old world concept and we are well truly in the new world," said Australian Services Union assistant secretary, Linda White, who has been lobbying government to have it removed for the past year.

Ms White, who is associated with industry super funds through the union, said the rise of the gig economy and flexible working hours in the boom industries of aged care and social assistance had an outsized impact on younger women.

"Those sort of industries are where it is prevalent," she said.

"For every dollar earned young, the compound interest is going to earn you more in retirement, fixing it would cost very little but would start to level the playing field"

Assistant Treasurer Stuart Robert- who now has responsibility for superannuation policy- said "nothing was off the table" as he and the Minister for Women, Kelly O'Dwyer, work on a \$100 million major women's economic statement due to be released in September.

Declaring "the great inequality" of women's super a "top priority" Mr Robert told Fairfax Media that his first meeting since being appointed in the wake of August's leadership spill was with HESTA- the health and community services super fund- where the majority of account holders are women.

"We have to make a tangible difference to the 80 percent of women in a fund like HESTA," he said.

"I'll be examining everything, the beauty of a fresh set of eyes is you get the chance to look at it all."

Cara Bradley, a 33-year-old Melbourne resident, wants the Morrison government to go further than removing the cap.

She is considering having her first child.

"In a legally recognised partnership, why is the working parents superannuation not divided between both of their accounts?" she said.

"What you are talking about is a family unit raising a child, but one partner is working, one partner is not, and they are not getting super during that time."

Last year, there were 118,401 marriages and 46,604 divorces in Australia, leaving many women dependent on the pension when they hit retirement and saddling the next generation with debt as the ageing population grows.

Mr Robert said while everything would be considered, the government did not "want to rob Peter to pay Paul."



Assistant Treasurer Stuart Robert.CREDIT:ANDREW MEARES

"It would help a spouse but to the detriment of the other," he said, pointing out a working partner can already voluntarily redirect up to \$40,000 into the other spouses super.

Ms Bradley said this was unlikely to happen in violent or financially illiterate relationships.