

'I will be stuffed': How superannuation sells women short



Noelene Mayne is about to retire but has no idea how she will fund her retirement because her superannuation will not provide her with the funds she needs. CREDIT: JASON SOUTH

Australia's superannuation system is failing in its primary goal of providing universal benefits and is systematically biased against women, a major study has found.

Twenty-five years after its introduction, women are on track to retire on roughly half the superannuation balance of men, with the typical woman's balance on retirement just \$80,000, enough to live on for just three years, even on the most basic of living standards.

Conducted by David Hetherington from progressive think tank Per Capita and Warwick Smith for the Australian Services Union, the study polled 4000 union members and used data from the Household, Income and Labour Dynamics survey to track how superannuation balances were changing over time.

"I will be stuffed," said one. "I expect to be poor, I may become functionally homeless," said another.

"Women continue to be financially penalised across our lifetime because of our reproductive capacity, our lower wages and because of deadbeat dads who refuse to pay their share of the financial burden of raising their children (not all dads are like this but, by God, there's a lot of them)," said another respondent.

At age 25, women have roughly similar superannuation balances to men. By the prime child-rearing ages of 35 to 44 their balances are 30 per cent lower, and by ages 45 to 64 they are 45 per cent lower.

The report says superannuation is predicated on the notion that every worker is an employee. But the rise of non-standard work means almost a quarter of female workers aren't in a traditional permanent jobs and are instead working as casuals, contractors, subcontractors, for themselves or on zero-hours contracts.

One in every two employed women works part-time compared to only one in every five men. On average, women employed full-time earn 20 per cent less than men.

Because superannuation builds up with wages and because women spend more time out of the paid workforce than men they accumulate much less.

Noelene Mayne is one of them. At nearly 65 she is due to retire next March but like many women her age isn't confident she will be able to do so comfortably.

"Hopefully I will be able to retire then but I don't know if circumstances will allow it," she said.

I expect to be poor, I may become functionally homeless.

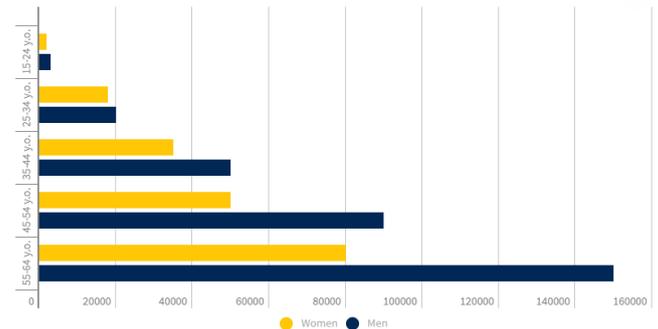
- Respondent to Per Capita survey

Ms Mayne, who works in a nursing home, only received super for the last 15 years of her working life.

She estimates that her super amounts to \$50,000.

"I stayed home and raised four kids as a single mother. So financially I'm not probably set up but financially I don't worry about those sort of things until it happens," she said.

Median Australian superannuation account balances



Mr Hetherington said the model of working men supporting homemaker women was fast disappearing.

"In that model household income was provided by one breadwinner, usually a man, via a job that was full-time and dependable," he said. "Implicitly, the benefits of superannuation would largely flow to women through their male partners."

"What has happened since is that many more women have entered the workforce to earn and save independently, but the nature of work available to them has been more intermittent and lower paid than men's. This, combined with the fact that women still do the overwhelming majority of unpaid housework, caring and parenting, means that the benefits of super, which move in direct proportion to base pay, have not flowed to female recipients as hoped."

The researchers recommend that each person's super be assessed against an "accumulation pathway" that would model the superannuation balance at each age needed to afford a basic retirement. The government would make top-up payments, of 2.5 per cent of income, to people falling more than 5 per cent below the pathway.