

Super reform won't be enough to fix gender retirement savings gap

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The **Australian Institute of Superannuation Trustees (AIST)** is calling for all workforce, pay and super policies to be examined under a gender lens to improve the outcome for Australian women in retirement.

In its submission to the **Senate Economic Security for Women in Retirement Inquiry**, AIST notes that changes to the super system will not be enough to close the retirement savings gap given that the major contributing factors are 'pay inequity' and constraints on female workforce participation.

While AIST says reforms – such as extending the Low Income Super Contribution (LISC) scheme and removing the \$450 monthly contribution limit – are important for women, there are external issues to super that can have a much greater impact on either the gender gap or fairness of the super system.

"Improving women's retirement outcomes is not just a matter of pulling levers inside the super system," **AIST CEO Tom Garcia said**. "If we are going to close the gap, we need a holistic approach, which includes a full examination of relevant policies outside of super."

AIST's submission argues that the soon-to-be-defined objectives for the super system – as well as workplace policies – need to be examined through a gender lens to address the specific needs of women.

"Women live longer in retirement but they retire with significantly less savings," said Mr Garcia. "Without fresh policies, we cannot expect to see any improvement."

Mr Garcia said many European countries had introduced objectives and Key Performance Indicators (KPIs) for their pension systems that took into account the specific needs of women.

AIST has called on the Government to convene a broad-based summit on the objectives of the retirement incomes system, followed by a technical review addressing structural issues.

"Legislating objectives for superannuation will hopefully put an end to ad hoc policy tinkering and provide a robust framework with which to assess any future policy proposals," Mr Garcia said. "After 25 years of compulsory super this is a long-overdue measure that will be particularly valuable both in tackling the gender savings gap and assisting the current Tax Inquiry."

Median super balance by 55-64 age group			
Year	Male	Female	Gender Gap
2011/12	\$107,000	\$65,000	39%
2013/14	\$150,000	\$80,000	47%

Source: ABS 4125.0 Gender Indicators, Australia, August 2015. Superannuation balance at, or approaching, preservation age (55-64 years)
Please note: excludes people with zero super balance.

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AIST is the peak industry body for the \$650 billion not-for-profit super sector which includes industry, corporate and public sector funds.