

Submission to Senate Inquiry into the Gender Retirement Income Gap

October 2015

About NCOSS

The NSW Council of Social Service (NCOSS) works with and for people experiencing poverty and disadvantage to see positive change in our communities.

When rates of poverty and inequality are low, everyone in NSW benefits. With 80 years of knowledge and experience informing our vision, NCOSS is uniquely placed to bring together civil society to work with government and business to ensure communities in NSW are strong for everyone.

As the peak body for health and community services in NSW we support the sector to deliver innovative services that grow and evolve as needs and circumstances evolve.

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Introduction

NCOSS welcomes the opportunity to provide input into the Economic Reference Committee's Inquiry into the gender retirement income gap, and thanks the Committee for the extension granted.

We support and endorse the submissions into the reviews of taxation and retirement incomes provided to this inquiry by the Australian Council of Social Service (ACOSS). ACOSS is best placed to discuss the national issues raised by this inquiry.

The submission will focus on the issues relating directly to women in NSW, and issues which can be addressed by the NSW Government. This focus is influenced by feedback from our members during recent comprehensive consultations across NSW to inform our Pre Budget Submission. Throughout these consultations, concerns were raised around disadvantages experienced by women in terms of homelessness; unemployment, underemployment and low wages; domestic and family violence; and structural inequality.¹

NCOSS recognises that the gender pay gap in retirement savings results from accumulated gender inequality over the life course, perpetuated by interconnected experiences, events and decisions.² This gap is directly linked to the undervaluing of women's paid and unpaid work, and has both financial and human rights implications for women, and as well as budgetary impacts for the Commonwealth and NSW Governments.

Women are structurally disadvantaged by the two key pillars of the retirement income system, engagement in work and levels of paid earnings.

- In terms of paid earnings, women continue to be over-represented in areas of study linked to lower earning industries, and in the part-time and casual workforce. The primary driver of the gender income retirement is the gender pay gap, as it accumulates over a lifetime. Concerningly, NSW had the highest growth in the gender pay gap of all Australian jurisdictions in 2015³; concerted action is required to reduce this growth.
- Simultaneously, women spend periods away from the workforce while raising children and assuming the majority of caring responsibility for children as well as grandchildren, spouses and people with disability.

Consequently, poverty and disadvantage among older women, and a lack of retirement savings when compared with men is not an ageing issue, rather a distillation of multifaceted, systemic inequity over the life course that is concentrated in women's later years. This submission takes the view that by breaking the cycle of disadvantage experienced by women across the life course, developing targeted responses for groups of women who face multiple layers of disadvantage and creating stronger links to economic opportunities for women, the numbers of women facing poverty and disadvantage in NSW can be significantly reduced.

¹ NCOSS (2015) *NCOSS 2016-2017 Pre-Budget Submission*, available at http://www.ncoss.org.au/sites/default/files/public/policy/PBS%20full%20report_0.pdf.

² Australian Human Rights Commission. (2009). *Accumulating poverty. Women's Experiences of Inequality Over the Lifecycle: An Issues Paper Examining the Gender Gap in Retirement Savings* at www.humanrights.gov.au/sex_discrimination/publication/gender_gap_at 10.

³ Workplace Gender Equality Agency (2015), *Gender pay gap statistics, September 2015*, available at https://www.wgea.gov.au/sites/default/files/Gender_Pay_Gap_Factsheet.pdf.

This submission will focus on:

- The effects of the gender retirement gap – poverty, income support and homelessness – and their adverse impacts both on older women and Government budgets;
- Some drivers of the gender retirement gap and how to address them in NSW;
- Impacts on women facing multiple layers of disadvantage due to factors such as disability, sexuality or domestic violence;

Equal opportunity for women at all levels and questioning of gender assumptions about caring (including the value of paid care work) are key to improving the gender pay gap and consequently the gender gap in retirement savings.

Recommendation 1

That the NSW Government resource a project, auspiced by an appropriate NGO, that will be a collaboration of the community sector, business, government, unions and academia to consider key ways to improve economic participation and outcomes for women across NSW.

Summary of recommendations

1. That the NSW Government resource a project, auspiced by an appropriate NGO, that will be a collaboration of the community sector, business, government, unions and academia to consider key ways to improve economic participation and outcomes for women across NSW.
2. That the NSW Government continue the implementation of the Social and Affordable Housing Fund, and find new and innovative ways to work with community housing providers to deliver housing that meets the needs of people experiencing poverty and disadvantage, including women in retirement.
3. That both Commonwealth and State governments continue to share the responsibility of funding and delivering social and affordable housing.
4. That the Commonwealth and NSW Government directly invest more in social and affordable housing.
5. That all levels of government develop social and affordable housing targets that are both ambitious and achievable.
6. That Commonwealth Rental Assistance is reformed, so it is more sensitive to the housing market.
7. That tax reform address property and related taxes (including stamp duty, land tax, negative gearing and Capital Gains Tax) to discourage property speculation, and to encourage investment in affordable rental housing.
8. That the NSW Government ensure that future successful pay equity cases that relate to the delivery of government funded human services are fully funded by increases in the grants, subsidies and payments provided by Government to the service provider/employer.
9. That the NSW Government take steps to implement the Premier's priority of an increase in the proportion of women in senior leadership roles in the government sector to 50% in the next 10 years, including by targeted recruitment strategies, and mentoring programs aimed at women.
10. That the NSW Government fund outreach courses for women re-entering the workforce.
11. That the NSW Government implement a range of measure in State and Local Government Awards to increase flexibility for employees, and ensure superannuation is paid during periods of parental leave.
12. That the NSW Government strengthen protections against discrimination, by amending the Anti-Discrimination Act 1977 to:
 - I. Remove the 12 month time limit in which complaints must be lodged
 - II. Introduce positive obligations on employers to make reasonable adjustments to accommodate pregnant women, workers with carers responsibilities and older workers.
13. That the NSW Government fund financial literacy programmes aimed at female students in schools, TAFEs and universities, and workers in public sector workplaces.

14. That the NSW Government amend State and Local Government Awards to create an entitlement to 10 days of paid domestic leave per year.
15. That the NSW Government continue to deliver on the Safer State blueprint, with particular focus on high-risk groups including Aboriginal and Torres Strait Islander women; older women and young women; women with disabilities; women from CALD communities; women in rural and regional communities; LGBTIQ people and women in and exiting prison.
16. That the NSW government ensure that women who have experienced domestic violence are eligible for secure social housing.
17. That the NSW Government implement a guaranteed interview scheme for applicants with disability in the government sector, as part of increasing their representation.
18. That the NSW Government establish a programme to assist women with disability escape domestic violence, similar to that established in the ACT
19. Ensure that equality prevails for LGBTI people seeking access to services, particularly those people experiencing poverty and disadvantage, by removing religious exemptions contained in the Anti-Discrimination Act 1977 (NSW) and the Sex Discrimination Act 1984 (Cth).
20. That the NSW Government continue to Implement the NSW Public Sector Aboriginal Employment Strategy 2014-2017.
21. That the NSW Government:
 - I. fund the development of labour rights materials, including web-based materials, in the full range of community languages, and;
 - II. substantially increase funding for organisations focussed on promoting the rights and interests of CALD workers (particularly CALD women) to conduct outreach activities, which inform outworkers and people in the precarious labour market about their rights.
22. That the NSW Government increase funding to English classes for migrant women.

1. The impact that inadequate savings has on women in retirement

Poverty

The most serious consequence of the gender gap in retirement savings is the likelihood of poverty for women in retirement. Lower levels of retirement savings, a likelihood of early retirement and longer life expectancy place women at greater risk of a sharp decline in their standard of living during retirement.

Women are more likely throughout their life to experience poverty, and in 2011/2012 14.7% of women in Australia experienced poverty compared to 13% of men.⁴ Women are also more likely to experience poverty in retirement, and among people aged over 65, 28.9% of women live in poverty, compared to 24.6% of men.⁵

Households headed by single older women experience both the highest incidence of poverty compared to other household types and also have the greatest risk of persistent poverty;⁶

Poverty and financial insecurity have a significant impact on the enjoyment of basic human rights such as the right to an adequate standard of living, including access to food, shelter, clothing and the right to health.

Reliance on income support

Because of the gender gap in retirement savings, women generally have lower incomes during retirement than men. Retired men aged between 55 and 64 years have around 1.7 times the disposable weekly income of retired women in the same age group.⁷ This would exacerbate in the later years.

We also know that:

- While Australians expect to spend 23 years in retirement, their funds will run out after only 10 years, leaving them to rely on the Age Pension⁸ Women's longer life expectancy means they are likely to be pension reliant for a longer period;
- 42% of retiring women describe their main source of income as "government pension/allowance⁹, showing the limits of superannuation savings;
- Women are more likely to receive the Age Pension, and receive it at the full rate.¹⁰

Thus, the gender gap in retirement income has a significant effect not on the budgets of retired women, but on the Commonwealth budget.

⁴ Australian Council of Social Services (ACOSS), 2013, *Poverty in Australia*, using 50% poverty line.

⁵ OECD, (2011). Pensions at a Glance 2011: Retirement Income Systems in OECD and G20 Countries, (OECD Publishing in Workplace Gender Equality Agency (2013) [Women's economic security in retirement; Perspective Paper](#))

⁶ Australian Council of Social Services (ACOSS), 2013, "Poverty in Australia, note 3.

⁷ Cassells R at al (2009) "She works hard for the money: Australian women and the gender divide", AMP.NATSEM Income and Wealth Report issue 22 (2009) p 28. at <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MjA5fENoaWxkSUQ9LTF8VHlwZT0z&t=1>.

⁸ ANZ (2015) ANZ Women's Report: Barriers to Achieving Financial Gender Equity, available at <http://www.women.anz.com/content/dam/Women/Documents/pdf/ANZ-Womens-Report-July-2015.pdf>.

⁹ Ibid.

¹⁰ Workplace Gender Equality Agency (2013) [Women's economic security in retirement; Perspective Paper](#)

Housing stress and homelessness

Sydney has the highest rate of poverty of any capital city in Australia, largely due to the high cost of housing, and women are at greater risk of poverty in older age if they do not own their own home¹¹. Un-partnered women (whether un-partnered through never marrying, divorce or death of a spouse) are more likely to be in the private rental market than married women.¹² Lack of home ownership means women have fewer opportunities to convert the equity in their home into retirement income and are more likely to be in the private rental markets where prices fluctuate. Noting the unaffordability of housing in the private rental market, particularly in Sydney, an increase in Commonwealth Rent Assistance is required, as this is currently inadequate to prevent older women's decline into homelessness

Due to poverty in retirement and throughout their life, women are over-represented in the two lowest income deciles and are more likely than men to face mortgage and rental stress.¹³ According to the 2011 Census, there are 600,828 women in Australia who are single, over 45 years old, earn less than the median income and do not own their home. These women can become homeless by ill-health or financial difficulty brought about by retirement. By way of comparison, there are 373,794 men in the same situation.¹⁴

There are increasing numbers of women who are homeless in NSW, over 11,000 according to the latest available data.¹⁵ Further, 10% of homeless women in Australia are aged over 55. This problem can sometimes be hidden because women are more likely than men to adopt less visible behaviours such as staying with friends or living in a car. However, the latest census showed that women access supported accommodation for homeless people more than men, and there was a 14% increase in people over 55 seeking assistance from specialist homelessness services from 2011-12 and 2012-13.¹⁶

We need to address homelessness and provide more social housing

As stated earlier, Sydney has the highest rate of poverty of any capital city in Australia, largely due to the high cost of housing.¹⁷ Housing costs also contribute to the gender retirement income gap by reducing women's capacity to save for retirement.

The reform of the Federation process underway presents a unique opportunity to improve the housing system and ensure it works for the most disadvantaged in our community, including women in retirement. To take advantage of this opportunity, we propose that a reformed system:

- Ensures that both Commonwealth and state governments continue to share the responsibility of funding and delivering social and affordable housing;

¹¹ L. McFerran, (2010). It Could Be You: Female, Single, Older and Homeless,' (Sydney: Homelessness NSW and the Older Women's Network NSW).

¹² Australian Institute of Superannuation Trustees, 2011, Super-poor but surviving: Experiences of Australian Women in Retirement, 15.

¹³ Women NSW(2014), *Women in NSW 2014*, available at

https://www.women.nsw.gov.au/_data/assets/file/0019/300772/3303_WNSW-Report2014_web.pdf, p1

¹⁴ ¹⁴ ABS, 2049.0 Census of population data and housing, estimating homelessness, 2011.

¹⁵ ABS, 2049.0 Census of population data and housing, estimating homelessness, 2011.

¹⁶ University of Queensland, 2014, Older women's pathways out of homelessness in Australia: A report for the Mercy Foundation,

¹⁷ NCOSS (2015) [Cost of Living Report: Children and Families](#)

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- Results in increased investment in social and affordable housing by the Commonwealth and the states, including a Commonwealth growth fund aimed at increasing stock levels;
- Includes social and affordable housing targets that are both ambitious and achievable;
- Changes Commonwealth Rental Assistance, so it is more sensitive to the housing market; and
- Reforms property and related taxes (including stamp duty, land tax, negative gearing and Capital Gains Tax) to discourage property speculation, and to encourage investment in affordable rental housing.

We also consider that these elements work together and cannot be separated. A reformed system that does not include these elements places your agenda, and the interests and aspirations of the most vulnerable housing consumers at risk.

NCOSS has been proud to work with the NSW Government and Infrastructure Partnerships Australia to develop a fund that will deliver \$1 billion in social and affordable housing in NSW. The gains that will be delivered from this fund, and the housing outcomes of older women, are at risk if a reformed system results in less investment in social and affordable housing, or the Commonwealth clearing the field.

Recommendation 2

That the NSW Government continue the implementation of the Social and Affordable Housing Fund, and find new and innovative ways to work with community housing providers to deliver housing that meets the needs of people experiencing poverty and disadvantage, including women in retirement.

Recommendation 3

That both Commonwealth and state governments continue to share the responsibility of funding and delivering social and affordable housing.

Recommendation 4

That the Commonwealth and NSW Government invest more in social and affordable housing.

Recommendation 5

That all levels of government develop social and affordable housing targets that are both ambitious and achievable.

Recommendation 6

That Commonwealth Rental Assistance is reformed, so it is more sensitive to the housing market.

Recommendation 7

Tax reform addresses property and related taxes (including stamp duty, land tax, negative gearing and Capital Gains Tax) to discourage property speculation, and to encourage investment in affordable rental housing.

2. The extent of the gender retirement income gap and causes of this gap, and its potential drivers including the gender pay gap and women's caring responsibilities

Extent of gender retirement income gap

The Association of Superannuation Funds of Australia Limited (ASFA) uses Australian Bureau of Statistics (ABS) data to demonstrate that in 2011-12, average superannuation balances at retirement were \$105 000 for Australian women compared to \$197 000 for men.¹⁸ There has been a significant increase - in these balances over time; in 2005-06, the averages were \$63 000 for women.¹⁹ However, as will be discussed below, the gender pay gap is increasing in NSW. If the growth in the gender pay gap is not arrested, the recent gains in the quantum of women's retirement savings could be eroded.

Causes and drivers of the gender income retirement gap

The gender pay gap, which measures the difference in average weekly earnings between men and women is increasing in NSW. While the national gender pay gap nationally fell 0.4%²⁰ from May 2014-5, the pay gap in NSW increased 2.8% in the same period²¹, and is now at 19.3%. This was the largest increase nationally, and the gender pay gap is currently larger in NSW than it was in 2002.²²

The gender pay gap is attributable to a number of factors. It is explored below in relation to barriers experienced by women while getting work and while at work. These categories are overlapping and overlaid by gendered assumptions about caring, and lack of recognition of its economic value.

Alongside these structural barriers, an improvement in women's financial literacy will improve the gender retirement income gap.

¹⁸ Association of Superannuation Funds of Australia (ASFA), (2014) An update on the level and distribution of retirement savings, available at <http://www.superannuation.asn.au/policy/reports> p13.

¹⁹ Ibid.

²⁰ from 18.3% to 17.9%.

²¹ Workplace Gender Equality Agency (2015), "Gender pay gap statistics, September 2015, available at https://www.wgea.gov.au/sites/default/files/Gender_Pay_Gap_Factsheet.pdf.

²² Women NSW (2014), *Women in NSW 2014*, available at https://www.women.nsw.gov.au/_data/assets/file/0019/300772/3303_WNSW-Report2014_web.pdf, p122, quoting HILDA Survey.

Barriers getting well paid work

Majority of part-time and casual workers are women

The following figures demonstrate how women in NSW compare to men in NSW and women on range of labour force measures.

	NSW women	NSW men	Comments re national comparison
Labour force participation ²³	57%	69%	NSW has lowest female participation rate.
Employment ²⁴	53%	65%	Gender gaps similar.
Underutilisation rate ²⁵ (willing and able to work more)	15.8%	12.1%	Similar nationally Underutilisation has increased since 2013; 2.1% for women
Employed casually ²⁶	26%	21%	Similar
Employed part-time ²⁷	46% of employed women	18%	Similar

Weakened labour force participation decreases a women's ability to save for retirement, having a lasting impact on retirement incomes.

Gender segregation in low paid industries or occupations, and undervaluation of the work performed by women

Women remain clustered in lower paid occupations, impacting their income and retirement savings. For example, a recent report by the ANZ Bank found that nearly half of all women employed in Australia work in only three sectors: health and community services, retail and education. The healthcare sector alone employs 20 % of the female workforce; whereas the highest paying sectors of mining and utilities have workforces that are 86% and 81% male respectively.²⁸ Even within some areas where females dominate, such as nursing and primary school teaching, men were paid more than women in the first year after graduation²⁹

Nearly 20 years after the NSW Industrial Relations Commission became the first jurisdiction to enact an Equal Remuneration Principle, areas of work dominated by women are still under valued. Despite the historic pay equity decision in relation to Social and Community Services Award in 2012, the community sector workforce

²³ Women NSW (2014), *Women in NSW 2014*, note 23, p101, quoting ABS (2014) *Labour Force, Australia, January 2014*. Cat no. 6202.0.

²⁴ Ibid.

²⁵ Women NSW (2014), *Women in NSW 2014*, note 23, p104, quoting ABS (2014) *Labour Force, Australia, January 2014*. Cat no. 6202.0

²⁶ Women NSW (2014), *Women in NSW 2014*, note 23, p106, quoting ABS (2013) *Australian Labour Market Statistics, July 2013*. Cat no. 6105.0

²⁷ Women NSW (2014), *Women in NSW 2014*, note 23, p108, quoting ABS (2014) *Labour Force, Australia, January 2014*. Cat no. 6202.0.

²⁸ ANZ (2015) *ANZ Women's Report: Barriers to Achieving Financial Gender Equity*, available at <http://www.women.anz.com/content/dam/Women/Documents/pdf/ANZ-Womens-Report-July-2015.pdf>, at 25-29.

²⁹ Smith J., (2014) "The gender wage gap for graduates: Who's earning more?", available at <http://www.hcamag.com/hr-news/the-gender-wage-gap-for-graduates-whos-earning-more-188898.aspx>

which NCOSS represents is still affected by past undervaluation. Pay equity cases are also underway in the childcare and aged care sectors.

As many industries subject to historical undervaluation are primarily Government funded, it is crucial that future successful pay equity cases are fully funded by increases in the grants, subsidies and payments provided by Government to the service provider/employer. If this does not occur, pay equity will be achieved at the cost of service quality.

To address issues of gender segregation in the vocational sector, the NSW Government has introduced the “Women in Trades” and “Girls in Trades” programs funding partnerships with industry to increase the number of women in non-traditional trades, defined as one in which women represent less than 25% of the workforce. Such trades include chefs (women 17%), electricians (2%), mechanics (less than 1%) and plumbers (less than 1%).³⁰ This is a positive step, as encouraging women into higher paid industries will increase their earnings and decrease the gender retirement income gap.

Notwithstanding this, it is preferable to take a broad view of the barriers facing women entering the carer of their choice. Programs to increase women’s participation need to be offered in a broad range of career opportunities and disciplines so that women can choose a career path that they are interested in and have aptitude for. Not doing so many see woman opt for careers because of incentives, which will not achieve the intended positive effect in the long term.

There is a substantial gender pay disparity in the NSW government sector. In 2013, women accounted for only 27% of the Senior Executive Service (SES) in NSW, well behind the nationwide figure of 40%.³¹ NCOSS commends the Premier for recognising this as a problem, making it a priority to increase the proportion of women in senior leadership roles in the government sector to 50% in the next 10 years.³² Achievement of this priority will require affirmative action and targeted recruitment strategies, including mentoring programs aimed at women.

Recommendation 8

That the NSW and Commonwealth Governments ensure that future successful pay equity cases are fully funded by increases in the grants, subsidies and payments provided by Government to the service provider/employer

Recommendation 9

That the NSW Government take steps to implement the Premier’s priority of an increase to the proportion of women in senior leadership roles in the government sector to 50% in the next 10 years. Including by targeted recruitment strategies, and mentoring programs aimed at women

³⁰ Women NSW (2014) *Information on Girls In Trades*, available at https://www.women.nsw.gov.au/__data/assets/pdf_file/0010/269182/3016_WomenNSW_Girls_in_trades_info_web.pdf

³¹ Women NSW (2014), *Women in NSW 2014*, available at https://www.women.nsw.gov.au/__data/assets/file/0019/300772/3303_WNSW-Report2014_web.pdf, p137.

³² NSW Government (2015) *Premier’s Priority: “Driving Public Sector Diversity”*

This is facilitated by the *Government Sector Employment Act 2013 (NSW)* under which the head of a government sector agency is responsible for workforce diversity, including gender diversity, in the agency.

Barriers to re-entering the workforce

For women, access to education and training *over* the lifecycle is a key factor influencing paid workforce participation and lifetime earnings. This is evident in the Australian Human Rights Commission's current inquiry "Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability".

TAFE has traditionally played an important role in decreasing the gender retirement gap by providing woman an opportunity to retrain or update their skills. Completion of TAFE can provide women with employment opportunities, or 'soft entry' into university courses via recognition of TAFE credits. This is important both for women re-entering the workforce after periods of caring, or establishing economic independence after a separation.

The way TAFE is funded in NSW changed at the beginning of 2015 with the implementation of Smart and Skilled.³³ This reform deregulates the market, leaving TAFEs to compete for government funding against private for-profit providers. This has led to fee increases for all students, particularly people with prior post-schools qualifications, who will pay higher fees than those with no qualifications.³⁴

NCOSS commends the free scholarships provided to "disadvantaged students", including students with disability, Aboriginal and Torres Strait Islander students and those in social housing.³⁵ Additionally, we commend the recent announcement that students with disability will be eligible for multiple fee free courses from 2016.³⁶

However, women retraining before re-entering the workforce will be disadvantaged by being unable to access subsidised training if they have prior qualifications. Further, NCOSS understands that outreach courses such as "Career Education and Employment for Women" which targets women seeking to return to education and the workforce and unclear of their career direction, are at risk in this funding environment. This is because funding is dependent on student enrolments, and the complexity of the system and course fee (even if subsidised) can act as a disincentive for women seeking to re-enter the workforce to study. This impacts the skills, earnings and retirement incomes for these women.³⁷

The issue of support for women re-entering the workforce is being discussed by the NSW Council for Women's Economic Opportunity. We hope positive solutions are identified.

Recommendation 10

That the NSW Government fund outreach courses for women re-entering the workforce.

³³ see <https://smartandskilled.nsw.gov.au/>

³⁴ See 'Questions about Smart and Skilled training', at <https://smartandskilled.nsw.gov.au/for-students/frequently-asked-questions#q9>.

³⁵ See "Smart and Skilled training for disadvantaged students", at <https://smartandskilled.nsw.gov.au/for-students/students-with-additional-needs>.

³⁶ Barilaro J (2015) "Investing in the skills to deliver NDIS jobs"

³⁷ Women in Adult and Vocational Education (WAVE) (2015) *Submission to Vocational education and training in New South Wales*, available at

<http://www.parliament.nsw.gov.au/Prod/parlament/committee.nsf/V3ListSubmissions?open&ParentUNID=0677C777D25C1544CA257E5900102455>

Barriers at work

The caring role fragmenting paid employment

A critical driver of the gender income retirement gap is the time women spend out of the in caring roles, and gendered assumptions of these roles. These assumptions impact women's ability to accumulate retirement savings. The ANZ Bank has found that the average lifetime earnings gap between men and women with a bachelor's degree is \$1.52 million, with men earning \$3.66 million compared to women's \$2.14 million.³⁸

For many women, caring for children is a key point in the lifecycle where experiences of inequality have a considerable impact on their long term financial security, in terms of level of both levels of earnings and participation. When superannuation balances are broken down by age, the largest widening of the gender gap occurs between the 23-34 and 35-44 age brackets, coinciding with the time when women commonly have children.³⁹ The unenequal division of unpaid caring work is due to the lack of structural support for employees with caring responsibilities and the lack of social and economic value placed on unpaid caring work.

It is important to recognise that, as well as caring for children, women are more likely to take on caring roles for elderly people and people with disability, affecting their retirement incomes. The Disability and Carers Survey found that in NSW in 2012:

- 21.6% of females aged 45-54 and 22.6% of female aged 55-64 were carers;
- Women make up 68% of primary carers of people with disability and older people; and
- Women who are primary carers have much lower participation rates (45%) and employment rates (43%) than other women.⁴⁰

Further, older women are increasingly providing significant care to grandchildren, in place of paid employment. For example, a recent study of grandparents found in order to care for grandchildren, more than half had reduced their hours and a third had changed the timing of their retirement.⁴¹

Women taking unpaid breaks take to up caring earnings affects their current earnings, superannuation balances and earnings potential. Accordingly, flexible work arrangements, which keep an employee connected to income while caring, are a crucial way to redress the gender gap in retirement savings. We comment here on the conditions of NSW State and Local Government employees, and endorse the recommendations of ACOSS and

the Australian Council of Trade Unions (ACTU) in relation to employees in the Federal industrial relations systems.

A progressive example of parental leave is provided by the *Local Government (State) Award*. The parental leave clause tops up the wages of female and male employees who receive paid parental leave installments under the Federal Scheme to their full rate of pay and provides 18 weeks parental leave at full pay to both mothers and fathers as an Award entitlement. The paid parental leave period will be counted as service for accruing annual

³⁸ ANZ (2015) *ANZ Women's Report: Barriers to Achieving Financial Gender Equity*, available at <http://www.women.anz.com/content/dam/Women/Documents/pdf/ANZ-Womens-Report-July-2015.pdf>, at 69.

³⁹ Australian Human Rights Commission. (2009). *Accumulating poverty*, note 2, at 17-18.

⁴⁰ ABS (2013) *Disability, Ageing and Carers, Australia, 2012*. Cat no. 4430.0.

⁴¹ Hamilton, M, & Jenkins, B. (2015). *Grandparent childcare and labour market participation in Australia* (SPRC Report 14/2015). Melbourne: National Seniors Australia 2015.

leave, sick leave and long service leave and employees will also receive superannuation contribution payment.⁴² This approach could be transferred to NSW State Awards.

NCOSS acknowledges that flexible work arrangements exist in the NSW government sector. However, we recommend these arrangements be strengthened for all employees, to enable an equal division of caring work and help redress the gender gap in retirement savings. Possible ways to increase flexibility drawn from best practice examples in a recent report by the Australian Human Rights Commission⁴³ include:

- ‘Topping up’ an employee’s pay during the period of Government-funded Parental Leave Pay to their full rate of pay;
- Continuing to pay an employee’s superannuation contributions while on unpaid leave;
- A return-to-work bonus, payable after an employee has returned to work following parental leave
- The option of taking paid leave at half pay;
- Non-primary carer (usually paternity) leave provisions to be taken at the time of birth or placement of a child;
- Allowing the non-primary carer to access other existing leave entitlements, including annual leave and long service leave, for extended periods around the birth of a child;
- Allowing employees to purchase and repay longer periods of paid leave;
- Allowing all employee to request flexible work arrangements, and providing that such requests cannot be unreasonably refused (for example cl. 23 of the [Local Government \(State\) Award](#)).
- Facilitating job share arrangements.

Recommendation 11

That the NSW Government implement a range of measure in State and Local Government Awards to increase flexibility for employees, and ensure superannuation is paid during periods of parental leave.

Discrimination

It is clear that many women in NSW face discrimination in employment. Sex discrimination and sexual harassment each accounted by 8% of the complaints received by the NSW Anti-Discrimination Board in 2013-14. More than half of the complaints received related to employment, and women lodged more complaints of sex discrimination.⁴⁴ This discrimination affects women’s earnings, and accordingly, the gender gap in retirement savings.

⁴² cl. 21 [Local Government \(State\) Award](#).

⁴³ Australian Human Rights Commission (2014) *Supporting Working Parents: Pregnancy and Return to Work National Review – Report*,

⁴⁴ Anti-Discrimination Board of NSW (2014) *Annual Report 2013-14*, available at <http://www.antidiscrimination.justice.nsw.gov.au/Documents/anti-discrimination%20board%20annual%20report%202013-14.pdf> p14

In relation to discrimination at particular life stages of women, the Australian Human Rights Commission has found that:

- almost half(49%) of mothers reported experiencing discrimination in the workplace related to pregnancy, maternity leave or returning to work⁴⁵,
- older women are particularly vulnerable, subject to ‘gendered, ageism’ where gender discrimination is exacerbated by age discrimination.⁴⁶

This creates barriers to women re-entering the workforce, comprising their ability to save for retirement.

Sexual harassment, as well as discrimination on the basis of sex, carer’s responsibilities and age are prohibited in NSW through the *Anti-Discrimination Act 1977 (NSW)*.⁴⁷ However, there are limitations to the effectiveness of the legislation because complaints must be brought within 12 months of the discrimination occurring⁴⁸ and the Anti-Discrimination Board can only conciliate complaints confidentially. Additionally, the complaints system is reactive; there are no positive obligations on employers to make reasonable adjustments to accommodate pregnant women, workers with carer’s responsibilities and older workers.

These measures would increase women’s protection from discrimination, increasing their earnings and consequently retirement incomes.

Recommendation 12

That the NSW Government strengthen protections against discrimination, by amending the anti-discrimination ACT 1977 to:

- **Remove the 12 month time limit within which complaints must be lodged.**
- **Introduce positive obligations on employers to make reasonable adjustments to accommodate pregnant women, workers with carer’s responsibilities and older women.**

Financial literacy for women

Research by the ANZ Bank identified the need for improving the financial literacy of women.⁴⁹ Further, the Australian Government Financial Literacy Foundation, showed that while women were generally confident in their abilities to manage money on a day-to-day basis, and were aware of the need to provide for their

⁴⁵Australian Human Rights Commission (2014) *Supporting Working Parents: Pregnancy and Return to Work National Review – Report*, at 19.

⁴⁶ Australian Human Rights Commission. (2009). *Accumulating poverty*, note 2, at 21.

⁴⁷ See Parts 2A, 3, 4B and 4G.

⁴⁸ S. 89B(2)(b) *Anti-Discrimination Act 1977 (NSW)*.

⁴⁹ ANZ Bank and the Social Research Centre (2011). *Adult financial literacy in Australia*. Full report of the results from the 2011 ANZ Survey.

retirement, they were less confident than men in their abilities to make long term investment decisions, and tended to be conservative in any investment decisions they did make.⁵⁰

Accordingly, the Workplace Gender Equality Agency has highlights that women start saving for retirement later than men, and contribute less to superannuation.⁵¹ Programs to increase young women's financial literacy, implemented in schools, TAFE and universities, and public sector workplaces could assist women to save for retirement and narrow the gender retirement income gap. As an example, the Commonwealth Bank has developed a financial literacy resource aimed at high school students.⁵²

Recommendation 13

That the NSW Government fund financial literacy programs aimed at women students in schools, TAFE and universities, and workers in public sector workplaces.

3. Intersectionality – the impact of multiple layers of disadvantage

Often the factors disadvantaging women are magnified for those facing multiple layers of disadvantage, leading to even greater risk of poverty in retirement for these subgroups.

Women experiencing domestic and family violence

Domestic violence costs the NSW economy more than \$4.5 billion every year;⁵³ and (using a national level analysis), It is estimated that 94.4% of these costs will be borne by victims and survivors, usually women.⁵⁴ Domestic violence and financial abuse entrench the poverty and dependence of women, impacting financial security and retirement incomes long after the violence has abated. Disturbingly, domestic violence has increased in NSW by average of 2.7% per year from January 2010 December 2014.⁵⁵

As a result of the disruption to their engagement in paid work due to trauma or attendance at Court hearings, women who have experienced violence are more likely to have lower workforce participation, affecting their ability to accumulate retirement savings. NCOSS commends the recent announcement of an \$60 million over 3 years in domestic and family violence , particularly the emphasis on keeping women safe in their homes, which will allow them to maintain connection to community and employment.

⁵⁰ Australian Government Financial Literacy Foundation, (2008). *Financial Literacy: Women Understanding Money*, (Canberra: Commonwealth of Australia).

⁵¹ Workplace Gender Equality Agency (2013) *Women's economic security in retirement; Perspective Paper*

⁵² Commonwealth Bank, *Financial Literacy Teaching Resource*

⁵³ See Women NSW (2013) *It Stops Here - A New Approach To Domestic Violence In NSW* available at https://www.women.nsw.gov.au/news/items/it_stops_here_-_a_new_approach_to_domestic_violence_in_nsw

⁵⁴ National Council to Reduce Violence Against Women and Their Children, *The costs of violence against women and their children* (2009). At http://www.fahcsia.gov.au/sa/women/pubs/violence/np_time_for_action/Pages/default.aspx

⁵⁵ NSW Bureau of Crime Statistics and Research (2015) *New South Wales Recorded Crime Statistics 2014*, at 8.

Paid domestic violence leave is a crucial way to assist employees to maintain this connection to work. While the *Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009* allows up to five days of domestic violence leave to be granted at the employer's discretion once other leave has been exhausted,⁵⁶ the *Local Government (State Award 2014)* is silent on it. NCOSS supports the ACTU's claim of a universal entitlement of up to 10 days of specific domestic and family violence leave per year, which would contribute to the accumulated retirement savings of the women involved.

It is also important to track domestic violence at all levels of the community. In NSW, the NSW Women's Alliance and NSW Men's Behaviour Change Network have developed the blueprint *A Safer State*, which focuses on a whole-of-Government response to domestic violence, involving adequate resourcing and consistent approaches across NSW's legal, justice, service support, housing, health and education sectors.

The package recently announced by the NSW Government is a positive step towards this, but needs to be continued. Domestic violence is a major driver of homelessness in women, contributing to loss of earnings and the gender retirement income gap. Giving women who have experienced domestic violence access to secure social housing would be a positive step in breaking the cycle of the negative impacts of violence.

Recommendation 14

That the NSW Government amend State and Local Government Awards to create an entitlement of 10 days of paid domestic leave per year.

Recommendation 15

That the NSW Government continue to deliver on the Safer State blueprint, with particular focus on high-risk groups including Aboriginal and Torres Strait Islander women; older women and younger women; women with disabilities; women from CALD communities; women in rural and regional communities; LGBTIQ people and women in, and those exiting prison.

Recommendation 16

That the NSW Government ensure that women who have experienced domestic violence are eligible for secure social housing.

⁵⁶ cl. 84.11 [Crown Employees \(Public Service Conditions of Employment\) Reviewed Award 2009](#)

Women with disability

In 2012, 46% of women with disability in NSW participated in the labour force, compared to 74% of NSW women aged 15 to 64 years without any disability. For women with a profound or severe core activity limitation, the figure was 30%.⁵⁷

The National Cross-Disability Disabled People's Organisations notes that women with disability face greater inequality than their male counterparts, and in lower paid jobs if in the labour force.⁵⁸ Further, it is graphically noted that:

Women with disability are 40% more likely to be the victims of domestic violence than women without disability, and more than 70% of women with disability have been victims of violent sexual encounters at some time in their lives. Twenty per cent of women with disability report a history of unwanted sex compared to 8.2% of women without disability. The rates of sexual victimisation of women with disability range from four to 10 times higher than for other women.⁵⁹

These factors have an adverse impact on the retirement impacts of women with disability.

In terms of labour force participation, the NSW Government could increase the number of women (and men) employed in the NSW government sector by implementing a version of the "RecruitAbility" scheme being trialed by the Australian Public Service.

Applicants with disability who opt in to RecruitAbility and meet the minimum requirements of the position are progressed to a further stage in the selection process (usually to an interview).⁶⁰ The UK Civil Service has also implemented a guaranteed interview scheme for employees with disability. This is a way of ensuring affirmative action for employees with disability, which will increase their retirement incomes.

To address the high prevalence of domestic violence against women with disability, it is recommended that NSW establish a program to assist women with disability escape domestic violence, similarly to that established in the ACT.⁶¹

Recommendation 17

That the NSW Government implement a guaranteed interview scheme for applicants with disability in the government sector, as part of increasing their representation.

Recommendation 18

That the NSW Government establish a programme to assist women with disability escape domestic violence, similar to that established in the ACT.

⁵⁷ Women NSW (2014), *Women in NSW 2014*, note 23, p102, quoting ABS (2013) *Disability, Ageing and Carers, Australia, 2012*. Cat no. 4430.0.

⁵⁸ National Cross-Disability Disabled People's Organisations (2014), Submission to Senate Standing Committee on Finance and Public Administration 'Inquiry into Domestic Violence in Australia', available at <http://www.pwd.org.au/pwda-publications/submissions.html>, p25 (including references cited).

⁵⁹ Ibid, at 13.

⁶⁰ See <http://www.apsc.gov.au/priorities/disability/recruitability>

⁶¹ Morozow, A (2014) [ACT women with disabilities offered way to escape domestic violence](#)

Lesbian and transgender women

NCOSS has recently published “*Beyond the myth of pink privilege*”, a scoping review of the evidence concerning poverty, disadvantage and lesbian, gay, bisexual, transgender and intersex (LGBTI) people in NSW.⁶² This report found that lesbian and transgender women face disadvantage in many labour force indicators on the basis of sexual orientation and gender identity. For example, a study using the Australian Longitudinal Survey of Women’s Health data-set concluded that young lesbian woman between the ages of 22 and 27 are less likely to secure employment, have lower personal incomes and are more likely to lose a job than the heterosexual people included in the study.⁶³ Over their lifetime, lesbian women were found to have a 28% earnings penalty.⁶⁴ We also know that transgender people face significant disadvantage in earnings; 54% of respondents in transgender surveys completed for Flinders University earned less than \$34 00 per annum.⁶⁵

Discrimination on the basis of sexuality and gender identity is prohibited at a State and Federal level, under the *Anti-Discrimination Act 1977 (NSW)*⁶⁶ and the *Sex Discrimination Act 1984 (Cth)*⁶⁷, but broad exemptions are granted to religious bodies.⁶⁸ This permitted discrimination has negative effects on income and retirement savings (not to mention psychological well-being) of lesbian and transgender women. The removal of these exemptions in the interests of equity would also make a small but important contribution towards reducing the gender retirement income gap for these women.

Recommendation 19

Ensure that equality prevails for LGBTI people seeking access to services, and particularly those experiencing poverty and disadvantage, by removing religious exemptions contained in the Anti-Discrimination Act 1977 (NSW) and the Sex Discrimination Act 1984 (Cth)

Aboriginal and Torres Strait Islander women

Aboriginal women have a vastly different experience of the labour market than non-Aboriginal women; there are less likely to be in the labour force (67%), and more likely to be unemployed (16.1%).⁶⁹

Analysing the 2006 Census, the Australian Institute Of Health and Welfare found that Aboriginal and Torres Strait Islander women are more likely to be carers, compared to non-Indigenous women. In comparison to non-Indigenous carers, Aboriginal and Torres Strait Islander carers have lower rates of paid workforce participation and significantly lower earnings, compounding their disadvantaged position in the paid workforce.⁷⁰

⁶² NCOS (2015) *Beyond the myth of pink privilege: poverty, disadvantage and LGBTI people in NSW; A scoping review of the evidence*, available at http://www.ncoss.org.au/sites/default/files/public/policy/LGBTIPovertyNCOSLaunch_FINAL.pdf.

⁶³ Carpenter, C.S. (2008). Sexual Orientation, Income, and Non-pecuniary Economic Outcomes: New Evidence from Young Lesbians in Australia, *Review of Economics of the Household*, (6)4: 391-408.

⁶⁴ Drydakis, N. (2014). *Sexual Orientation and labour market outcomes*. IZA World of Labour, 111.

⁶⁵ Riggs & Due (2013) [*The health care experiences of people whose gender identity differs from that expected of their natively assigned sex*](#). Flinders University

⁶⁶ see Part 3 (Transgender Grounds), and Part 4 (Homosexuality)

⁶⁷ see ss. 5A-5C *Sex Discrimination Act 1984 (Cth)*

⁶⁸ see s. 56(d) *Anti-Discrimination Act 1977 (NSW)*, ss. 37-38 *Sex Discrimination Act 1984 (Cth)*

⁶⁹ ABS (2013) [*Aboriginal and Torres Strait Islander Peoples’ Labour Force Outcomes*](#)

⁷⁰ Australian Bureau of Statistics, *The Health and Welfare of Australia’s Aboriginal and Torres Strait Islander Peoples, 008*, Cat No 4704.0 (2008).

It is positive that Aboriginal and Torres Strait Islander students receive fee free TAFE course, and that the NSW Public Sector Aboriginal Employment Strategy 2014-2017⁷¹ aims to have a 1.8% representation at all levels of the government sector. Measurable actions need to be taken towards this strategy.

While we understand that implementing many of the other recommendations in this submission will improve the retirement incomes of Aboriginal women, the retirement incomes of indigenous women are one more area where we must continue to close the gap in indigenous disadvantage.

Recommendation 20

That the NSW Government continue to implement the NSW Public Sector Aboriginal Employment strategy 2014-2017.

Women from culturally and linguistically diverse (CALD) backgrounds

Women from CALD backgrounds have lower participation in the labour force than other groups of women, often due to their lower proficiency in English. They are over-represented in precarious employment and often work as outworkers, with no access to superannuation. Good Shepard Australia identifies a lack of information about labour rights in languages other than English.⁷² Funding such information could assist women from CALD backgrounds to gain employment and contribute to their retirement incomes.

It is important that organisations to be funded to conduct outreach activities, which inform people in the precarious labour market about their rights.

Fee free English classes would also assist these women to improve their standing in the labour market, and consequently their retirement incomes.

Recommendation 21

That the NSW Government;

- **fund the development of labour rights materials, including web-based materials in community languages; and**
- **substantially increase funding for organisations focused on promoting the rights and interests of CALD workers (particularly CALD women) to conduct outreach activities, which inform outworkers and people in the precarious labour market about their rights.**

Recommendation 22

That the NSW Government Increase funding to English classes for migrant women.

⁷¹ See <http://www.psc.nsw.gov.au/sector-support/equity-and-diversity/aboriginal-workforce-development/aboriginal-employment-strategy>

⁷² Good Sheppard Foundation (2011) [*From Women's Labour Force to Women's Forced Labour Migration and Marriage*](#).