



Submission by Good Shepherd

Australia New Zealand

Inquiry into Economic Security for Women in
Retirement

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About our organisation

Good Shepherd Australia New Zealand

This submission has been prepared by Good Shepherd Australia New Zealand, a community services organisation that aims to disrupt the intergenerational cycle of disadvantage with a focus on women and girls. We achieve this through services that address social and economic exclusion. A central part of our mission is to challenge the systems that entrench poverty, disadvantage and gender inequality. We do this through research, advocacy and social policy development.

Our specific expertise is in:

- **Safety and resilience** – supporting women to be resilient provides a buffer between an individual and adversity, allowing them to achieve improved outcomes in spite of difficulties.
- **Financial security** – supporting women to ensure they have access to sufficient economic resources to meet their material needs so that they can live with dignity.
- **Educational pathways** – assisting women and girls to overcome the obstacles in their life that hinder them from achieving their educational/vocational capacity.
- **Research, Social Policy and Advocacy** – needs research into emerging issues, identifying effective change interventions for program design, policy analysis and advocacy.

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Introduction

Women retire with less than half the average superannuation payouts received by men¹ and 2.8 million women compared to 1.6 million men aged 15 years and over are not covered by superannuation.²

Good Shepherd Australia New Zealand (GSANZ) welcomes the inquiry into Economic Security for Women in Retirement. We work with women across the life course in building their economic security, as we understand that economic security is an essential foundation for women's full participation in life.

Empowering women is a multi-dimensional process of achieving basic capabilities, legal rights and participation in key social, economic, political and cultural domains. As stated by Elizabeth Broderick, "poverty in Australia has a feminised face."³ There is no denying that the current state of women's economic insecurity is connected to the issue of gender inequality, and the gendered nature of care. Economic security is a pre-condition for the exercise of human rights. Without access to the basic elements of economic security, such as housing, employment, education and an adequate income, women enter their retirement years with inadequate resources.

In our Submission to the Senate we highlight the multi-faceted nature of women's economic security and how the gendered nature of care and the gendered pay gap has significant negative impacts on women's financial wellbeing throughout their life span. We will also highlight that when compounded with experiences of family violence, women's capacity to attain economic security is severely limited. In addition, our Submission will provide practical recommendations that will facilitate an increase in women's security in retirement.

¹ Workplace Gender Equality Agency, (2013), *Gender Pay Gap Statistics*. Retrieved May 14, 2015 from Workplace Gender Equality Agency: <https://www.wgea.gov.au/sites/default/files/2013-02-Gender%20pay%20gap%20statistics.pdf>

² Australian Human Rights Commission, (2010), *Gender Equity Blueprint*. Retrieved May 18, 2015 from Australian Human Rights Commission: <https://www.humanrights.gov.au/our-work/sex-discrimination/publications/gender-equality-blueprint-2010>

³ Victorian Equal Opportunity and Human Rights Commission, (2010), *Advancing women's rights – exploring the relationships between the Charter of Human Rights and Responsibilities and the Convention on the Elimination of All Forms of Discrimination Against Women*, Occasional Paper, Melbourne: Victorian Equal Opportunity and Human Rights Commission, p. 11.

Recommendations

● Recommendation 1

The committee adopt a broader definition of economic security for women and recommends policy responses that reflect this complexity.

● Recommendation 2

All employers are incentivised to pay the superannuation guarantee on parental leave to support women to maintain some level of superannuation saving while they are on parental leave.

● Recommendation 3

Government continues to pay attention to the gendered pay gap, and provides incentives and support for business to put mechanisms in place to remedy this.

● Recommendation 4

All employers are incentivised to pay the superannuation guarantee irrespective of the \$450.00 monthly earnings threshold.

● Recommendation 5

Government review the Social Support System, particularly in relation to the Disability Support Pension, Parenting Payment Single and the Aged Pension to better support people who have not been able to accumulate superannuation, and to ensure women caring for children are less financially disadvantaged.

● Recommendation 6

Family law processes be reviewed and alternative mechanisms put in place to enable women who have experienced family violence to recover their financial resources on leaving family violence, including superannuation.

Part one: The multi-faceted nature of women's economic insecurity

Economic security is a multi-faceted issue and requires multiple policy responses. While superannuation is rightfully a focus for this enquiry, older women's economic insecurity results from a culmination of various aspects of gendered disadvantage experienced by women throughout their life course.

The first step is to be clear about what we mean when we discuss economic security. The adequacy of one's income to sustain a 'reasonable' standard of living is one part of what is a broader concept.

There are a variety of definitions of economic security, which range from being relatively individualistic and market-driven, to definitions that recognise the role that the state and civil society play in meeting the economic needs of its citizens.

Individualised definitions of economic security view it "as the capacity to earn enough money to meet basic living costs without having to rely on the state,"⁴ largely ignoring structural and systemic aspects of economic insecurity.

A more comprehensive view, such as that used by the International Labor Organisation (ILO), conceptualises economic security as being "composed of basic social security, defined as access to basic needs infrastructure pertaining to health, education, dwelling, information and social protection, as well as work-related security".⁵

This definition looks at the role of both the labour market and access to income, as well as the role of social security and access to basic needs infrastructure that is primarily provided by the state.

In order to best reflect the multi-faceted nature of economic security and the complexity of the interventions needed to best deal with this problem, a wider, more comprehensive definition must be adopted. This understanding must account for both structural and individual elements of economic security, such as has been identified by Wider Opportunities for Women⁶, the

⁴ Rich, M. (2011, November 22). *Economix*. Retrieved December 5, 2013, from The New York Times: http://economix.blogs.nytimes.com/2011/11/22/economic-insecurity/?_r=0

⁵ International Labor Organisation. (2013). *What do we mean when we say economic security?* Retrieved December 2013, from ILO: <http://www.ilo.org/public/english/protection/ses/download/docs/definition.pdf>

⁶ <http://www.wowonline.org/>

Northern Territory State Government⁷ and the ILO. It also needs to recognise the centrality of women's economic empowerment in promoting gender equity as a human rights concern.⁸ Specifically, the definition requires:

- an understanding that economic insecurity is a gendered issue that requires a gendered lens;
- an understanding that economic security is not just the absence of poverty, but about having the resources and support to sustain a life with dignity;
- an understanding that economic security is not just about a point in time, but ensuring a life with dignity is maintained throughout a woman's life course;
- an understanding that major life events disproportionately impact on women's economic security, such as having children, experiencing a separation or divorce, and caring for older relatives;
- a recognition of the individual and structural elements of women's economic security; and
- an articulation that there are responsibilities for both the individual and the state to ensure women's economic security.

The different elements of economic security and the definition used in this submission therefore reflect a capabilities approach. This "encompasses both the individual's ability to do something, and the larger social context that enables or inhibits individual action"⁹. It is not enough to look at individual attributes, but also the structural elements that facilitate people to live the life they value.

With these considerations, the definition adopted by GSAZ of women's economic security is:

"ensuring women and their children have sufficient economic resources to meet their material needs so that they can live with dignity. This can be through access to appropriate and well paid work; adequate social protection, including basic needs infrastructure for health, education, dwelling, information and a social wage; reasonable costs of living; the capacity to absorb financial shocks; and the resources to maintain this standard over their life course and through life events."¹⁰

⁷ Defined as: "having access to a stable income which is sufficient to support you and your dependents in a way that is conducive to physical and mental wellbeing. It also means having financial independence throughout your adult life to live safely and with dignity, whether single or with a partner" (Department of Community Services).

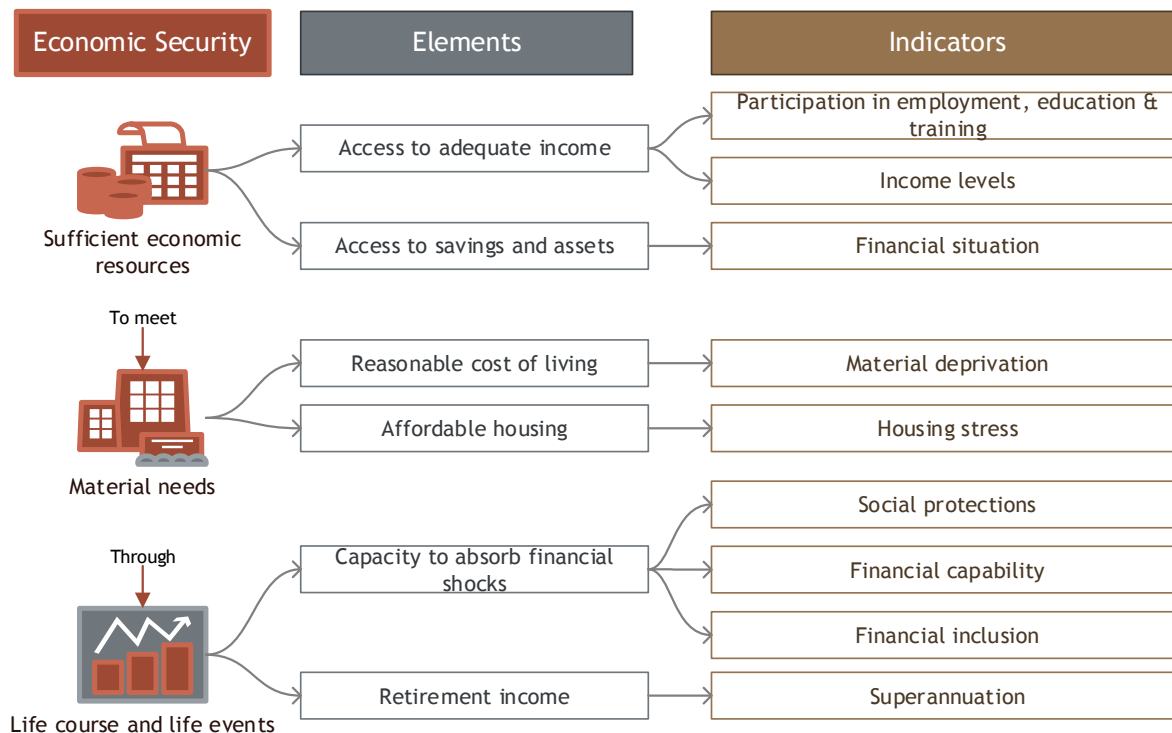
⁸ UN Women. (2015). *Economic Empowerment*. Retrieved from UN Women: <https://www.unwomen.org/au/focus-areas/economic-empowerment>

⁹ Landvogt, K. (2008). *Critical Financial Capability: Developing an alternative model*. Collingwood: Good Shepherd Youth & Family Service.

¹⁰ This definition has been developed as part of the project GSAZ is partnering with the Australia Institute on measuring the impact of family violence on women's economic security

The definition, measures and potential indicators to measure economic security are outlined in Figure 1.

Figure 1: The multi-faceted nature of women’s economic security



To align with this operational definition of economic security, women require:

- Sufficient economic resources through:
 - access to appropriate work;
 - access to well-paid work; and
 - access to adequate social security protection.
- The capacity to meet material needs including:
 - housing costs (rental and to buy);
 - essential services;
 - food; and
 - education.
- The ability to retain this through life events, such as:
 - the loss of a job;
 - relationships;
 - having children; and
 - retirement.

- The resources and capability to maintain this standard of living throughout their life course through:
 - Superannuation;
 - the capacity to absorb financial shocks and/or a sudden loss of income;
 - household economic resources;
 - access to credit, savings, insurance and financial information and support; and
 - social security protection.

● Recommendation 1

The committee adopt a broader definition of economic security for women and recommends policy responses that reflect this complexity.

As the remainder of this submission will outline, women experience deficits in many aspects that comprise economic security, particularly in the workplace and as a consequence of care. This is consistent throughout their life course, and is exacerbated by experiences of family violence. This ultimately leads to older women having less superannuation and other resources than their male counterparts, with the current social protections inadequate to make up this shortfall.

Part two: Gendered disadvantage in the labour market – workforce participation, the pay gap and care

The problem is that superannuation, tax and employment systems financially disadvantage the [5.5 million unpaid carers in Australia]. After a life of entering and leaving the workforce, they – and most are women – find they have vastly less accumulated retirement savings and superannuation than others who have not made these sacrifices, often retiring in poverty or with severe financial disadvantages.¹¹

Australia's superannuation system is linked to employment and income, with a person's capacity to accumulate superannuation directly tied to their past earnings, employment history and level of voluntary contributions. Although we are seeing an increase in women's participation in the workforce as noted in the terms of reference, women still fare more poorly on average than their

¹¹ Broderick, E, (2013), Caring for the Carers, *The Australian*. <http://www.theaustralian.com.au/national-affairs/opinion/caring-for-the-carers/storye6frgd0x-1226585430408>

male counterparts in relation to financial outcomes. More than 25 per cent of women aged 45 – 64 have no superannuation at all.¹²

There are several reasons for this that we would like to highlight in our submission. The gendered nature of caring responsibilities – whether for children or relatives – converges with lower levels of pay and reduced job security to create a situation where women are likely to enter retirement financially vulnerable. In 2014, the Australian government reported that women’s average superannuation was 45.7% of the average for men. This gap is even greater for older women nearing retirement age, reaching 55.3% for women aged 55-59 years.¹³ More than half of retired women have incomes of less than \$30,000.¹⁴

Women’s workforce participation

Women face challenges participating in paid work. As at 2012-2013, 62.2 per cent of women were in the workforce, as opposed to 75.3 per cent of men.¹⁵ Of women who are in work, it is more likely to be part-time and casual work¹⁶ - 11.2 per cent are ‘underemployed’ meaning they would like to work more hours than they are currently.¹⁷ As stated by UN Women, inequitable and unequal outcomes for women in the labour market is the biggest contributor to women’s overall socio-economic disadvantage.¹⁸

Attempts to increase women’s participation in the workforce have been somewhat successful. The changes in female workforce participation have been influenced by a range of factors, including:

- Increased levels of educational attainment among women;
- Greater social acceptance of working mothers;
- Declining fertility rates;
- Better access to childcare services and part-time work; and

¹² Association of Superannuation Funds of Australia, (2011), *Developments in the level and distribution of retirement savings*.

¹³ Workplace Gender Equality Agency, Gender pay gap and superannuation gaps by age group (31 July 2014) <https://www.wgea.gov.au/research-and-resources/fact-sheets-and-statistics>

¹⁴ Australian Super, Women and Super <https://www.australiansuper.com/superannuation/women-and-super.aspx>

¹⁵ Australian Bureau of Statistics. (2012). *Cat No. 4102 - Australian Social Trends, Data Cube - Families and Community, Talbe 1, Family and Community National Summary*. Retrieved November 1, 2013, from ABS: www.abs.gov.au

¹⁶ Australian Bureau of Statistics, (2012), *Gender Indicators, Australia*, 4125.0. Retrieved May 18, 2015 from Australian Bureau of Statistics: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0-Jul%202012-Main%20Features-Employment%20conditions-1120>

¹⁷ Smerdon, X. (2015, March 5). *Australian Gendered Pay Gap Widening*. Retrieved from Probono Australia: <http://www.probonoaustralia.com.au/news/2015/03/australian-gender-pay-gap-widening#>

¹⁸ UN Women, (2015), *Progress of the world’s women 2015 – 2016: Transforming economies, realizing rights*, UN Women: United States. Retrieved September 23, 2015 from UN Women: <https://progress.unwomen.org>, p. 68

- More flexible working arrangements¹⁹

Although the increase in women's participation in the paid workforce is indeed a positive and necessary step in the right direction, structural barriers still exist which limit and disadvantage women's economic security. For instance, for many women with caring responsibilities, part-time and/or casual employment are the only viable options within the labour force. These options provide women the necessary balance to undertake caring responsibilities and participate in paid employment. However, over the course of a woman's life these options are detrimental for retirement savings.

To properly support women to save for their retirement, policy responses need to support women participating in paid work, through creating opportunities for employment, as well as ensure there is consistency of support for women if and when they take time out of the workforce to care for children.

Care

The workforce participation gap widens further for women who have children. While 91 per cent of men with children below 6 years of age are in the workforce, only 53.9 per cent of women with children are employed (Figure 2). Women make up 82 per cent of Australian single parents²⁰, 25 per cent of which live below the poverty line.²¹ By taking time out of the workforce to care for children and/or relatives, women are limited in their capacity to participate in paid employment, thus economically disadvantaging them.

This difference is increased significantly for women who take time out of paid employment. For example, a female nurse misses out on \$533,980 in superannuation if she has nine years out of the workforce caring for children, returns to work part-time before going full-time and later works part-time again to care for elderly parents in retirement.²²

● Recommendation 2

All employers are incentivised to pay the superannuation guarantee on parental leave to support women to maintain some level of superannuation saving while they are on parental leave.

¹⁹ (Australian Treasury 1999, Evans and Kelley 2004).

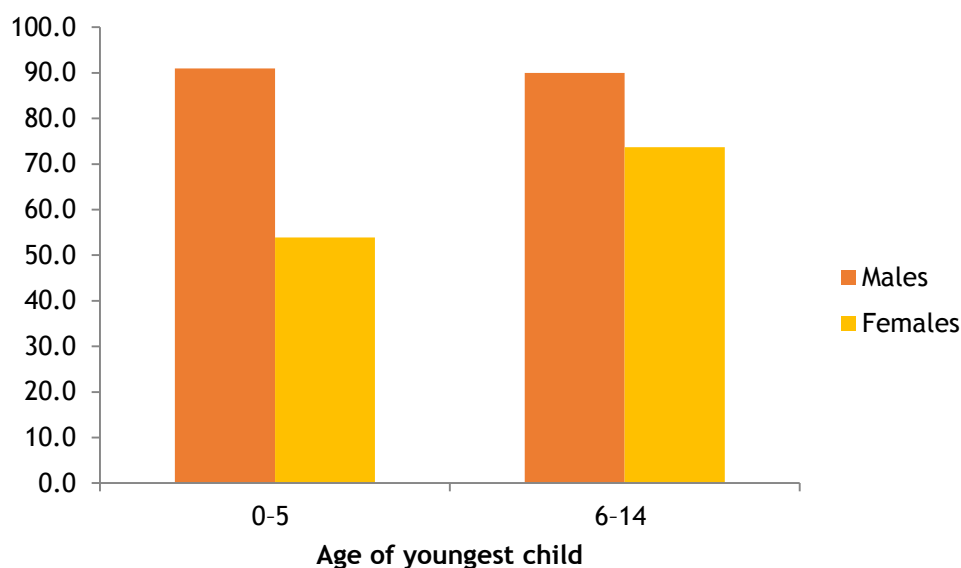
²⁰ Australian Bureau of Statistics, (2012), *Gender Indicators, Australia*, 4125.0. Retrieved May 18, 2015 from Australian Bureau of Statistics:

<https://www.abs.gov.au/ausstats?abs@nsf/Lookup/by%20Subject/4125.0~Jul%202012~Main%20Features~Employment%20Conditions~1120>

²¹ Australian Council of Social Services, (2012), *Poverty in Australia*, Paper 194, Strawberry Hills: Australian Council of Social Services, p. 14.

²² Australian Institute of Superannuation Trustees and Women in Super, *Women's Super Summit Report*, p. 4. Retrieved October 23, 2015 from <https://www.wgea.gov.au/sites/default/files/Womens-Super-Summit.pdf>

Figure 2: Workforce participation, people with children, by gender



In an attempt to seek reform options, the Australian Human Rights Commission has explored a 'caring credit scheme' that could supplement retirement incomes and savings of unpaid carers. According to the Women's Super Summit Report, the AHRC has recommended that the Productivity Commission conduct its own inquiry into mechanisms 'for valuing caring work including caring credits – to model and cost how such a mechanism could be successfully implemented here in Australia'.²³ GSANZ welcomes this recommendation and advocates for further inquiry into alternative mechanisms that recognise and remunerate the unpaid caring and domestic work that women undertake.

The gendered pay gap

Even when women do participate in paid work, they receive less pay for that work. This begins upon graduation, with female graduates earning almost 5 per cent less than their male counterparts²⁴ and women who work full time earn on average 18 per cent less than men.²⁵

²³ Australian Institute of Superannuation Trustees and Women in Super, *Women's Super Summit Report*, p. 12. Retrieved October 23, 2015 from <https://www.wgea.gov.au/sites/default/files/Womens-Super-Summit.pdf>

²⁴ Graduate Careers Australia, (2014), *GradStats: Employment and salary outcomes of recent higher education graduates*. Retrieved May 18, 2015 from Graduate Careers Australia: https://www.graduatemcareers.com.au/wp-content/uploads/2014/12/GCA_GradStats_2014.pdf

²⁵ Workplace Gender Equality Agency, (2013), *Gender Pay Gap Statistics*. Retrieved May 14, 2015 from Workplace Gender Equality Agency: <https://www.wgea.gov.au/sites/default/files/2013-02-Gender%20pay%20gap%20statistics.pdf>

Addressing the gender pay gap is a strong economic incentive for women to increase workforce participation. Furthermore, recognising the economic value of unpaid care and domestic work and redistributing it more equally between women and men is critical for the achievement of substantive equality.²⁶

It has been estimated that a woman on an average 'female' salary will miss out on \$207,181 in superannuation, even if she works full time and with no interruptions, compared to a man who works full-time, earning an average 'male' wage.²⁷ Some of these disparities reflect the comparatively low pay of women-dominated field (such as teaching, social work, or nursing). But for women who are in higher-paid, male-dominated fields (e.g., science, technology, engineering, and mathematics fields), the pay gap is actually wider, at approximately 30%.²⁸

● Recommendation 3

Government continues to pay attention to the gendered pay gap, and provides incentives and support for business to put mechanisms in place to remedy this.

Part three: Policy and practice responses

Government initiatives have also assisted in the increase in women's workforce participation. For example, in 2006 the Federal Government implemented its Welfare to Work package worth \$3.6 billion, designed to support and assist those people who can move off income support and into work (particularly parents, disability support recipients, long-term unemployed and mature age job seekers). Recent changes to tax offsets (including the Mature Age Worker Tax Offset available from 2005 – 2006), pensions (including the Pension Bonus scheme introduced in 1998) and superannuation (including gradually increasing the age of access between 2015 and 2025) have also occurred in an attempt to encourage older workers to retire later. The current Federal Government's Jobs and Small Business package also seeks to support women in small business to grow their business and to contribute to employment growth.²⁹

The current superannuation guarantee coverage does not apply to self-employed workers or to people not in the paid workforce, and it is only paid for employees earning at least \$450.00 a

²⁶ UN Women, (2015), *Progress of the world's women 2015 – 2016: Transforming economies, realizing rights*, UN Women: United States. Retrieved September 23, 2015 from UN Women: <https://progress.unwomen.org>, p. 69.

²⁷ Australian Institute of Superannuation Trustees and Women in Super, *Women's Super Summit Report*, p. 4. Retrieved October 23, 2015 from <https://www.wgea.gov.au/sites/default/files/Womens-Super-Summit.pdf>

²⁸ Professionals Australia, 2013 <http://www.professionalsaustralia.org.au/professional-women/>

²⁹ Minister Assisting the Prime Minister for Women, *Equal Pay Day – 4 September 2015*, Media Release. Retrieved October 27, 2015 from

<http://www.equalpayday.com.au/Resources/Documents/2015/Minister%20Cash%20150904%20Message%20-%20Equal%20Pay%20Day.pdf>

month with a single employer. Many women with caring responsibilities may work with more than one employer; although they may earn more than \$450.00 per month in total, they still do not qualify for superannuation contributions with any employer.³⁰

Private companies such as Rice Warner Actuaries have taken the initiative in assisting their female employees to improve their retirement savings. Rice Warner calculated that the difference in superannuation balances between female and male employees could be addressed if an additional 1.5% of a female employee's wages are contributed as superannuation each year. This progressive solution required an exemption by the Australian Human Rights Commission from the Sex Discrimination Act, which was granted in July 2013. Rice Warner can now pay 10.5% superannuation to its female staff. Additionally, in working with the AHRC to address the inherent disadvantage experienced by women in the workplace, Rice Warner designed and implemented their 'Valuing Females Package' that helps female employees improve their retirement savings outcomes. This package includes:

- Paid parental leave for up to 18 weeks at full pay (scale based on years of service).
- Superannuation Guarantee contributions payable on parental leave for up to 12 months.
- Long service leave accrual throughout parental leave (capped at 12 months). If the employee is working part-time prior to taking parental leave, then the long service leave accrual will be pro rata.
- Flexible working arrangements.
- An additional two per cent superannuation payment whilst employed at Rice Warner (including periods of maternity leave). Payment is separate from employee's salary packaging.
- Payment of Superannuation Guarantee irrespective of the \$450 monthly earnings threshold.
- Option to purchase up to two weeks annual leave to assist with caring duties.
- An educational program designed to build awareness of the unique challenges facing females in saving adequately for retirement.³¹

Similarly, in 2010 Westpac Bank extended its superannuation guarantee coverage to parents on paid parental leave, paying superannuation for up to 39 weeks. It has also developed a range of other initiatives to assist carers, including the ability to purchase leave or to take a career break for up to 12 months.

³⁰ Olsberg, D. (2005), *Women, Superannuation and Retirement: Grim Prospects Despite Policy Changes*, Just Policy, 35, pp. 31 – 38.

³¹ Australian Institute of Superannuation Trustees and Women in Super, *Women's Super Summit Report*, p. 26. Retrieved October 23, 2015 from <https://www.wgea.gov.au/sites/default/files/Womens-Super-Summit.pdf>

● Recommendation 4

All employers are incentivised to pay the superannuation guarantee irrespective of the \$450.00 monthly earnings threshold.

Initiatives such as these are examples of how employers can support women in continuing their participation in paid employment and facilitating savings for retirement. Superannuation has taken pressure off the government's pension obligations by an estimated \$6 billion per annum.³² From a purely fiscal perspective, the Australian Government should incentivise all employers to provide similar benefits to female employees.

There is no disputing that the financial situation of women in retirement is a major public policy issue. Without effective policy reform, a significant proportion of retiring women will rely solely on social security and possess little to no private assets or income. Twenty-nine per cent of Australian women over the age of 65 are currently living in poverty, creating a startling increase in homelessness for older women³³ (Australian Institute of Health and Welfare, 2014). The consequences are clearly detrimental to society at large.

Part four: The family violence and financial insecurity nexus

Family violence comes at a financial cost to every Australian citizen. Access Economics reports that, in 2004:

- Absenteeism as a result of family violence cost victims \$25.3 million per annum, and employers \$106.6 million per annum
- Family violence cost employers an estimated \$175 million per annum
- Female victims lost 100 days of paid work as a consequence of family violence
- 149 female family violence victims lost jobs because of family violence.³⁴

³² Industry Super Australia, (2015), Compulsory super central to future economic security and decent retirement for Australians, Media Release March 10, 2015 from: <http://www.industrysuperaustralia.com/media/media-releases/compulsory-super-central-to-future-economic-security-and-decent-retirement-for-australians/>

³³

³⁴ Access Economics, (2004), *The cost of domestic violence to the Australian economy: Part 1 and 2*, Canberra: The Commonwealth of Australia, Office of the Status of Women.

For 34 per cent of Australian women, family violence compounds their already economically disadvantaged position within our society. This is reflected in the facts that:

- Family violence is the leading cause of homelessness for women.³⁵
- Victims of family violence often have significantly reduced assets post-separation.³⁶
- Abuse erodes victims' sense of their financial capability and ability to make sound financial decisions.³⁷
- Victims often inherit and pay for jointly accumulated relationship debts when the relationship ends.³⁸
- Victims are more likely to be reliant on income support after experiencing family violence.³⁹

Any sort of abuse exacerbates a woman's financial vulnerability and long-term risk of financial dependence. Undoubtedly, 'family violence [is] a decapitalising experience for women, which is further compounded by societal structures and norms that undervalue women in the first instance'.⁴⁰

Preventing economic participation is also a form of family violence. Economic abuse includes sabotaging education or employment, not allowing the woman to work or undertake education, and denying access to the means for these activities.⁴¹

Often victims experience social isolation, a loss of self-esteem and psychological and emotional impairments that hinder efforts to find and retain paid work⁴². Women also fare more poorly on separation than men – while men recover financially quite quickly, it takes an average of six years for women to recover financially from a divorce.⁴³ Victims who have experienced family

³⁵ Main, S. (2013, March 08). *Violence puts women on the streets*. Retrieved March 13, 2013, from New Matilda: <http://newmatilda.com/2013/03/08/violence-puts-women-street>

³⁶ Braff, R., & Barrett Meyering, I. (2011). *Seeking Security: promoting women's economic security after family violence*. Sydney: University of New South Wales

³⁷ *Ibid*

³⁸ Corrie, T., & McGuire, M. (2013). *Economic Abuse: Searching for Solutions*. Collingwood: Good Shepherd Youth & Family Service.

³⁹ Sharp, N. (2008). *'What's Yours is Mine': The Different Forms of Economic Abuse and its Impact on Women and Children Experiencing Domestic Violence*. United Kingdom: Refuge.

⁴⁰ Good Shepherd Australia New Zealand, (2015), *Submission to the Royal Commission into Family Violence*, Abbotsford: Good Shepherd Australia New Zealand, p. 25.

⁴¹ Sharp, N. (2008). *'What's Yours is Mine': The Different Forms of Economic Abuse and its Impact on Women and Children Experiencing Domestic Violence*. United Kingdom: Refuge.

⁴² Moe, A., & Bell, M. (2004). *Abject Economics: The Effects of Battering and Violence on Women's Work and Employability*. *Violence Against Women*, 29-54.

⁴³ Matthew Gray, David de Vaus, Lixia Qu and David Stanton (2010) *Divorce and the wellbeing of older Australians* <https://aifs.gov.au/publications/divorce-and-wellbeing-older-australians>

violence often leave the relationship with few financial resources in order to remain safe from violence and because of the inadequacies of the mechanisms to support them. Remedies to address financial issues through the Family Court are often inaccessible because of the cost associated with representation. It becomes a circular problem: to recover financially victims require access to the very financial resources they are being denied. This in turn, impacts on their capacity to save for retirement.

● Recommendation 6

Family law processes be reviewed and alternative mechanisms put in place to enable women who have experienced family violence to recover their financial resources on leaving family violence, including superannuation.

The Social Support System is vital to provide support for women and their children who are escaping family violence and support women's economic security into retirement. Being a single parent increases pressure on women who are already struggling to find paid work because of the violence they have experienced, as they also have caring responsibilities which further makes employment participation a challenge. However, they are often met with the same requirements to look for work as others accessing social security support, particularly since recent changes to the Parental Payment, which requires parents to be looking for work when their youngest child is eight. This too is a barrier for women who have survived family violence, because they are less likely to have support from the other parent, or for safety reasons do not have dealings with them. There are no supports or provisions in social security to manage this complexity, meaning many victims who are caring for children are unable to meet employment requirements.

There is overwhelming evidence and commentary that income support payments are insufficient⁴⁴. Women who rely on the social security system when raising their children experience greater financial stressors than other groups in the community. The basic Parenting Payment Single is \$725.40 per fortnight⁴⁵ making meeting material needs a challenge.

While employment is popularly seen as the best pathway out of disadvantage and toward financial independence, adequate social protection is still imperative to provide support for people who, for a variety of reasons, are unable to participate in paid work.

There are a variety of social protections in place in Australia. These are outlined in table 1.

⁴⁴ http://www.acoss.org.au/wp-content/uploads/2015/06/Paper_190_Sole_parents_submission.pdf

⁴⁵ Department of Human Services. (2011). *Parenting Payment*. Retrieved January 31, 2013, from Department of Human Services: <http://www.humanservices.gov.au/customer/services/centrelink/parenting-payment>

Table 1: Social protections in Australia⁴⁶

Type	Responsibility
5.1 The Social Security System – support for people who are : <ul style="list-style-type: none"> • not expected to work (for example; lone parents) • unable to work (including people with disabilities) • unable to find work (people who are unemployed) 	The state, funded through general taxation revenue
5.2 Pensions for war veterans and their dependents <ul style="list-style-type: none"> • income support and compensation 	The state, funded through general revenue
5.3 Compulsory and voluntary superannuation <ul style="list-style-type: none"> • contribution to funds by employers to provide lump sum and/or earnings related pension upon retirements 	Funded by employers (compulsory), and employees (voluntary), supported by tax concessions by government, mandated by regulation.
5.4 The national healthcare system (Medicare) <ul style="list-style-type: none"> • national health insurance scheme 	The state – general revenue, special tax levy The individual – personal contribution to cost
5.5 Compensation for work injuries and deaths <ul style="list-style-type: none"> • provision of 'no-fault' earning-related benefit 	The state, Employers, the market
5.6 Life and contingency insurance <ul style="list-style-type: none"> • protection against loss of life or loss of income 	The individual via the market
5.7 Paid sick leave <ul style="list-style-type: none"> • full or partial replacement of pay for illness 	Employers, regulated by the state
5.8 Other in cash or in-kind welfare benefits including <ul style="list-style-type: none"> • subsidised childcare • care service • rebates on taxes • concessions for utilities • public housing 	The state

As mentioned in the previously, victims of family violence face significant barriers to participation in paid employment. While this is true for the period immediately preceding the violence, the impacts are often also longer term⁴⁷ and an adequate social security system is essential:

⁴⁶ Whiteford, P., & Angenent, G. (2002). *The Australian System of Social Protection - an overview*. Canberra: Department of Family and Community Services.

⁴⁷ Corrie, T., & McGuire, M. (2013). *Economic Abuse: Searching for Solutions*. Collingwood: Good Shepherd Youth & Family Service.

“How well the social security system responds to these women can be critical in preventing hardship, supporting financial stability in the short-term and assisting women to gain economic wellbeing in the long term”⁴⁸

There are many issues with the social security system. The literature identifies challenges in terms of:

- system rules and barriers
- women with children
- accessing the correct entitlements
- the adequacy of the level of entitlements

There are multiple barriers for victims of violence in navigating the social security system. Fear, shame and embarrassment are major problems, and while there is an increasing recognition of family violence, the issue of economic abuse is less well understood.⁴⁹ This means that victims themselves find it difficult to self-identify as having experienced violence. There are also financial imperatives not to do so. Most of the prescribed social security remedies require that women have left the relationship. This is not an easy, straight-forward or quick process, and social security protection should be available to victims regardless of their current relationship status.

The Federal Department of Human Services has taken steps to better identify their customers who have experienced or are experiencing family violence, by asking a series of screening questions.⁵⁰ This information is vital in order to understand how many victims of violence are accessing the social security system. This information would also be interesting to share, so to understand the extent of family violence amongst women who are receiving government payments.

● Recommendation 5

Government review the Social Support System, particularly in relation to the Disability Support Pension, Parenting Payment Single and the Aged Pension to better support people who have not been able to accumulate superannuation, and to ensure women caring for children are less financially disadvantaged.

⁴⁸ Macdonald, F. (2012). *Spotlight on Economic Abuse, Catalyst Paper 3: Income security and economic abuse*. Collingwood: Good Shepherd Youth & Family Service and Kildonan UnitingCare.

⁴⁹ Camilleri, O., Corrie, T., Moore, & S. (2015). *Restoring financial safety: Legal responses to economic abuse*. Abbotsford: Good Shepherd Australia New Zealand

⁵⁰ Corrie, T., & McGuire, M. (2013). *Economic Abuse: Searching for Solutions*. Collingwood: Good Shepherd Youth & Family Service.

Concluding remarks

The Australian retirement income system is now based on the notion that the age pension acts as a 'floor' below which retirement incomes cannot fall. Superannuation acts to 'top up' this floor – but in doing so, superannuation effectively takes the income inequalities that exist during people's working lives and magnifies them in retirement.

Ultimately, the key to the entrenched financial disadvantage of women is Australia's significant and persistent gender wage gap. Closing this gap has everything to do with political will, financial investment in a range of policies and societal commitment to address this inequality.