

MEDIA RELEASE

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COTA welcomes Senate report on superannuation gender gap

Australia's leading seniors advocate has welcomed the recommendations of the report of the Senate Standing Committee on Economics' Inquiry into Women's Economic Security in Retirement, designed to correct the gender gap in superannuation levels that is "shamefully" leaving too many women struggling financially when they retire.

COTA Australia Chief Executive Officer, Ian Yates said the inquiry highlighted the stark difference in superannuation levels that see women retiring with average levels of superannuation half that of men.

Mr Yates said major changes were need to make sure women earning lower incomes, or working casually or part time, have the income they need to live comfortably in retirement.

"Women are paid less than men, they are more likely to be in casual or part time work and historically they take more time out of work to care for families and children – all of which is leaving them badly short changed when it comes to superannuation," he said.

"Unless there are major changes to the way our superannuation system operate for women from the day they first start working to the day they retire, generations of women will continue to miss out on vital savings necessary in later life.

"COTA is pleased the committee has recommended that any changes to the retirement incomes system must be guided by the overriding principle that every Australian needs dignity in retirement and the system must deliver a decent standard of retirement living to both men and women.

"We fully support the committee's recommendation that the concessional superannuation contributions of women earning lower incomes and in casual or part time work not be taxed at a higher rate than their ordinary income.

"We are also particularly pleased the committee has recommended that the Government scrap exemptions that prevent people who earn less than \$450 a month from any employer being paid superannuation."

Mr Yates said COTA had specifically called for many of the Committee's recommendations in its submission to the Inquiry.

"COTA agrees with the Committee's assessment that closing the gap between women and men in economic security in retirement has no simple solution. We also agree with the Report that achieving greater equality for women and men at work; and accommodating, rather than penalising those who provide care-giving in our society; must be at the heart of a response.

"We look forward to the Government and Oppositions' responses to the Inquiry recommendations and congratulate the Committee on its report."

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