



11 August 2023

*Committee Secretary  
House of Representatives Standing Committee on Social Policy and Legal Affairs  
PO Box 6021  
Parliament House  
Canberra ACT 2600*

### **Submission to the Inquiry into the Recognition of Unpaid Carers**

Women in Super has prepared this submission in response to the invitation from the House of Representatives Standing Committee on Social Policy and Legal Affairs for the inquiry into the recognition of unpaid carers.

#### **WOMEN IN SUPER**

Women in Super (WIS) is a national advocacy and networking group for women employed in the superannuation and wider financial services industries. WIS advocates to improve women's retirement outcomes and access to superannuation. We advocate for holistic legislative change – we know that no one policy setting can be altered to fix the gender super gap. Instead, we need multiple reforms across the system to close the gap and ensure that future legislative changes won't disadvantage women in the way our current system does.

#### **OVERVIEW**

According to the ABS, seven in ten women are primary carers – 2.5 times more often than their male counterparts<sup>1</sup>. On average, a person who becomes a primary carer will lose \$392,500 in lifetime earnings to age 67 and \$175,000 in superannuation – a reduction of \$17,700 for every year that they are a primary carer<sup>2</sup>. Although there has been substantial growth in government expenditure on the paid care sector within aged care and disability support over recent years, investment in informal carers (or 'family and friend' carers) as a share of government expenditure has fallen since 2014<sup>3</sup>.

As women are more likely to be primary carers, this ongoing inequality disproportionately impacts and disadvantages women in caring roles. Current work and care support systems, legislation and other relevant policies across Australian workplaces and society are not adequate and fail to consider the disproportionate role women play in care work and all the constraints and inequalities it puts forward. The system has consistently remained biased, favouring men and high-income earners<sup>4</sup>. To rectify this, it is critical that the Australian government considers the impact on work and care of different hours and conditions of work, job security and work flexibility of carers. It is important to introduce policies that better consider the role women adopt in caring work, while acknowledging the further constraints women face - such as the cost of taking time out of the paid workforce, the superannuation balance gap, and the rising rates of poverty and homelessness in retirement.

<sup>1</sup> [Disability, Ageing and Carers, Australia: Summary of Findings](#), ABS, 2018.

<sup>2</sup> [Caring Costs Us – Summary of Findings](#), Carers Australia, 2022, p. 3.

<sup>3</sup> [Caring Costs Us – Summary of Findings](#), Carers Australia, 2022, p. 4.

<sup>4</sup> [Retirement Income Review: Final Report](#), The Treasury, 2020.



While there has been some consideration of policies and services supporting the combination of work and care in Australia, such as the Carer Payment and Carer allowance, the costs and benefits of care are not easily translated into pure income and such policies need to consider the health costs, non-financial losses and benefits of being a carer. Moreover, research shows that the value of the care allowance has significantly decreased in the recent years, and the current income support through carer payment is less than 30% of the average weekly earnings<sup>5</sup>.

To begin addressing this inequality, we have developed a Policy Framework (as summarised below) – a list of policy changes we believe are steps to closing the super gap. The Policy Framework includes a proposal to explore a carers credit framework that economically values the caring work that women do. We acknowledge that the adequacy of carers’ payments is not within the scope of this inquiry. However, we cannot talk about recognising the value of unpaid carers without recognising their contributions to the economy and therefore discussing their need to be adequately compensated. Further, while we acknowledge these policy changes alone are not enough to close the gender super gap, we believe this provides a good pathway to address these inequalities. More will need to be done but each change to the policy settings will make a difference to many women’s retirement outcomes around Australia.

**Summary of Policy Framework proposals:**

- Holistic modelling of policies with a focus to improving women’s retirement outcomes
- Pay super on Paid Parental Leave
- Introduce a benchmark for retirement adequacy that doesn’t shaft women
- Ensure women receive a fair share of super tax concessions
- Align the LISTO with PAYG thresholds
- Explore and implement a Carer’s Credit framework in Australia’s retirement income system

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Robbie Campo'.

**ROBBIE CAMPO**

**National Chair**

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A handwritten signature in blue ink, appearing to read 'Jo Kowalczyk'.

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<sup>5</sup> [Caring Costs Us – Summary of Findings](#), Carers Australia, 2022, p. 3.