The Working Lives of Women & Their Retirement

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The Working Lives of Women and Their Retirement Incomes

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ABSTRACT

Within the current retirement system in Australia, arrangements are predominantly based on the age-pension and private superannuation schemes. However, the future ability and willingness of the government to support a level of age-pension that will provide those dependent on it with a sufficient standard of living is now open to question. This is of particular concern for women as almost 80 per cent of retired women rely on government pensions as their main source of income. Furthermore, many women have only a limited ability to accumulate a sufficient pool of funds through superannuation to finance their retirement. This paper argues that there is a need for a careful appraisal of the alternative retirement income options of Australian women in order to ensure that they will be able to achieve a secure and sufficient standard of living.

I INTRODUCTION

Due to changing fertility and life expectancy rates, Australia, like many other Western developed economies, is experiencing an ageing of its population. The proportion of the population over 65 years, currently around 12 per cent, is expected to increase to around 18 per cent by 2021 and to just over 23 per cent by 2051 (Productivity Commission and the Melbourne Institute, 1999). By 2026, the total number of Australian's aged over 65 will exceed the total number of children in Australia (Saunders, 1996).

The number of older women in the community is expected to grow at a particularly strong rate over coming decades. Over 55 per cent of the aged population in Australia are female and this pattern is expected to continue over the next half century (ABS Cat. No. 4109.0, December 1999 and Cat. No. 3222.0, June 1998). Contributing to this phenomena is the fact that women, on average, live 22

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years after retiring at the age of 65, whereas the life expectancy of men at the age of 65 is only 16 years (Blue, 2000).

These changing demographics create a need to review the age-pension and various other retirement income provisions in Australia. Currently, almost 80 per cent of retired women and 70 per cent of retired men rely on government pensions as their main source of income. Expenditure on the age-pension is now equivalent to approximately 3 per cent of Gross Domestic Product (GDP) and questions have been raised about the future ability and willingness of the government to support a level of age-pension that will provide those dependent on it with a sufficient standard of living.

The approach that is adopted to retirement income provision will need careful analysis not least because of women's high level of dependence on the age-pension. Alternative approaches, such as the extension of the role of private contribution to superannuation schemes, may disadvantage women as many women have a limited ability to achieve high levels of savings through such schemes due to their family commitments (that, in turn, limit their participation in the paid workforce).

The remainder of this paper provides an introduction to the types of issues that must be addressed if the future retirement system in Australia is to provide women with equitable access to retirement income. Section 2 outlines the main features of retirement income in Australia; Section 3 describes some of the factors that affect the ability of women to fund their retirement incomes; Section 4 provides an overview of the current income and wealth levels of Australian retirees; and Section 5 makes some suggestions for policy change.

II RETIREMENT INCOME IN AUSTRALIA

There are three main pillars to Australia's retirement system, the Federal government's age-pension scheme, employment related superannuation, which is subsidised by the government through a series of tax concessions and rebates and private savings.

The age-pension was introduced at the Federal level in 1908 in response to destitution amongst the aged (King, Baekgaard, and Harding, 1999). Currently, the age-pension, which is both income and asset tested, is available to persons with 10 or more years of continuous residence in Australia. Men are eligible for the pension from the age of 65, whilst the qualifying age for women is being progressively raised from 60 to 65 years, (currently the qualifying age for women is 61.5 years).

As at September 2000, the maximum weekly pension rates for individuals and couples were $197.05 and $328.90 respectively (Newman, 2000). The pension is indexed to male total average full time weekly earnings, with the maximum single pension payable currently being equivalent to one quarter of male total average full time weekly earnings[1] (King, Walker and Harding, 1999).

In 1996/97 the Australian government spent more than $13.2 billion on the age-pension (Thompson, 1999). This was equivalent to approximately 3 per cent of GDP and was twice as much as the next most expensive provision of social welfare (ibid).

To ease the pressure of funding the public pension system, the Australian government, through legislative moves, has placed a greater emphasis on superannuation schemes in recent decades. Unlike the age-pension, which is funded from general revenue, superannuation is financed by the individual as a form of deferred wages (Thompson, 1999). The government also contributes to this form of retirement savings through tax concessions on superannuation income and tax rebates for some superannuation contributions (such as those by self-employed workers and by individuals for their dependent spouses[2]). In 1997-98, the tax concessions on non-compulsory superannuation contributions alone were worth over $919 million (Australian Taxation Office, 1998).

The government has also promoted this form of retirement saving by mandating minimum contributions from salaries for all employees. Under the Superannuation Guarantee Charge (SGC), which has been in operation since 1992, Australian employers must contribute 7 per cent of their employees' wages to a superannuation fund if their employees earn more than $450 a month[3]. These contributions will rise to 9 per cent in 2002.

Reflecting the change in emphasis given to superannuation as a vehicle for retirement saving, employer superannuation contributions in Australia increased by 41.2 per cent over the period from 1993 to 1997 (ABS Cat, No. 6348.0, 1997). Superannuation has become the second most important

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[1] The current maximum married age-pension in Australia is equal to 40 per cent of the male total average weekly earnings.

[2] Contributions can be made to another superannuation fund for an individual earning less than $10 800 a year. A tax rebate of 18 per cent applies to contributions up to $3000 (Fletcher, 1996).

[3] When the SGC was introduced in 1992 the contributions were 3 per cent of employee's wages.

component of wealth accumulation (after owner occupied housing) in Australia and is now worth over $300 billion (Equal Worth, 1999 and Thompson, 1999).

III FACTORS AFFECTING THE RETIREMENT INCOMES OF AUSTRALIAN WOMEN

The changes in the approach taken by the government to retirement income pose some particular concerns for Australian women. Since their introduction in the early 1900s, superannuation schemes have favoured white-collar working men (King, Walker and Harding, 1999). Although Australian women gained access to the schemes in their own right in the late 1930s, the nature of women's involvement in the Australian labour market has meant that many of them find it difficult to accumulate sufficient savings through such schemes. According to Fletcher (1996), less than 20 per cent of women earn enough to be a self-funded retiree[4] and, as is shown in Table 1, women's superannuation assets are only about one third of those of their male counterparts (Bishop, 1999).

Table 1 The lump sum superannuation payouts of men and women in Australia, as a percentage of all payouts, 1995

Amount	Males	Females
Less than $5000	19%	47%
$5000 to under $20 000	19%	22%
$20 000 to under $60 000	23%	19%
$60 000 to under $100 000	16%	6%
$100 000 to under $200 000	15%	5%
$200 000 and over	8%	1%

Source: Bishop, 1999

The reasons why the accumulation of retirement savings through superannuation has been difficult for many Australian women and, thus, why the shift towards superannuation may be problematic for them can be understood with reference to the general factors that affect an individual's pool of superannuation savings. These include:

a) their earnings
b) the number of years contributions are made
c) the proportion of income they contribute to superannuation
d) the rate of return on funds contributed to a superannuation scheme (net of taxation, fees and charges)

[4] Women on average earn 83 per cent of the minimum amount required to be a self-funded retiree (Fletcher, 1996).

This list of factors indicates that women's relatively low superannuation savings are due to a number of inter-related related characteristics of their working lives, together with particular features of current superannuation schemes.

Earnings and Superannuation

Women's average earnings are significantly lower than men's and, thus, the income from which they can fund superannuation contributions is relatively low. In May 2000, women earned, on average, $502.60 a week, 33.2 per cent less than the male average of $759.10 (ABS Cat. No. 6302.0, May 2000, trend data).

a) Earnings, Part-time Employment and Superannuation

The lower average earnings of women reflect, in part, their shorter working hours. In May 2000, only approximately 30 per cent of Australian women aged between 15 and 65 worked in full time employment. This was less than half the corresponding male figure (ABS Cat. No. 6203.0, May 2000)**.** The high incidence of part-time employment impacts on earnings and thus on the ability to generate significant superannuation savings. Furthermore, as is shown in Table 2, part-time work reduces likelihood that an individual will receive any superannuation entitlements, as it can affect their ability to earn the $450 per month necessary to qualify for compulsory superannuation contributions from their employer. In August 1998, 95 per cent of full time employees received superannuation as an employment benefit. The corresponding figure for part time employees was only 73 per cent (ABS, Cat. No. 6310.0, August, 1998).

Table 2 ***Percentage of employed Australian women receiving superannuation benefits, August 1998.***

Industry	Full time	Part time
Agriculture, forestry & fishing	81.4	65.4
Manufacturing	96.6	79.1
Construction	99.3	84.7
Wholesale trade	95.5	80.7
Retail trade*	93.5	65.8
Accommodation, cafes & restaurants	93.4	68.1
Finance & Insurance	99.0	96.8
Property & business services*	96.0	74.9
Government administration & defence	98.6	88.0
Education*	97.1	84.9
Health & community services*	96.8	90.3
Cultural & recreational services	98.2	67.2
Personal & other services	93.1	59.3

Source: ABS Cat. No. 6310.0, 1998
* Denotes industries that employ a large number of women

b) Earnings and Superannuation Differences Among Full-time Workers

Even within the full-time workforce, women in Australia, on average, earn less than their male counterparts and this also contributes to the lower level of their superannuation contributions. In May 2000, the average full-time adult ordinary time earnings of women were 83.8 per cent of equivalent male earnings (ABS Cat. No. 6302.0, May 2000). This inequality was spread across the industries in which women are most likely to work, as shown in Table 3 below.

Table 3 ***The earnings[a)] of Australian women, across industries as a percentage of male earnings, May 2000.***

Industry	
Health and Community Services	79.1
Education	87.5
Property and Business	74.4
Retail Trade	85.7
Average across industry	83.8

Source: ABS Cat. No. 6302.0, May 2000
Notes: a) refers to full time adult ordinary time earnings, seasonally adjusted

The reasons why even women who are working full-time earn, on average, lower amounts than their male counterparts include differences in the characteristics of the two genders in terms of levels of experience, occupation, educational qualifications and levels of training, as well as discrimination in the labour market[5]. Several of these factors also have a direct bearing on superannuation savings.

Time Spent in the Workforce and Superannuation

Australian women have, on average, a lower level of workforce experience (measured by the amount of time spent in paid employment) than men. As documented by Rummery (1992), women on average spend 10.27 years working and men spend 17.19 years[6]. This factor is especially important to women's levels of superannuation savings as it affects both their ability to command high paying jobs (and, thus, their ability to save for retirement while they are employed[7]), and the number of years over which superannuation payments are made.

This feature of women's working life is, in part, due to the fact that over one quarter of Australian women aged between 20-60 years spend no time in the labour force (Clare, 1994). The characteristic is also associated with the substantial proportion of women who exit the paid workforce in their mid twenties to have their first child (see Graph 1). Finally, the low average workforce experience levels amongst Australian women also derive from the significant number of women who retire from paid work at a relatively young age. In 1997, for example, 54.4 per cent of all female retirees were aged less than 45. By way of contrast, only 7 per cent of male retirees fell into this age bracket and more than half the male retirees were aged over 60 (ABS Cat. No. 6238.0, November, 1997).

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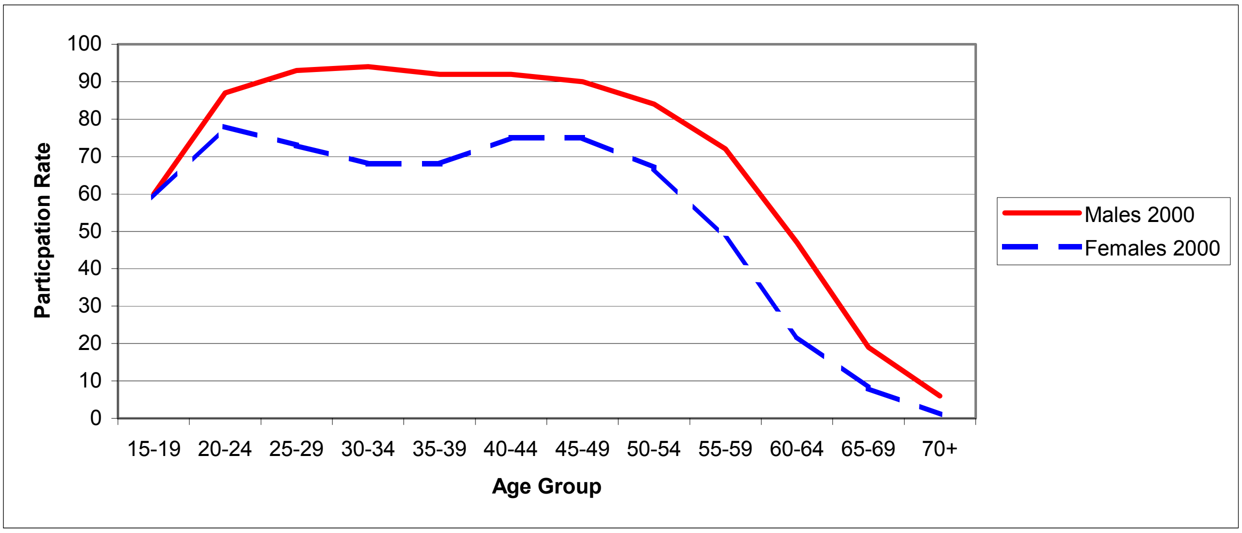
[5] Preston (2000) estimates that, once differences in these characteristics of working Australian men and women are taken into account, a 10.5 per cent difference in earnings persists.

[6] Rummery (1992) uses data from 1984. Although this data now rather dated, it provides a robust example of actual levels of experience. As noted by Rummery, (1992), potential levels of experience are overestimated. For example the potential level of experience for women in 1984, was over 8 years larger than actual experience levels. There have been significant changes in the labour market, particularly for females since Rummery's (1992) study. The higher levels of female participation rates and growth in potential levels of experience, make it plausible to assume that average levels of female experience would be considerably larger than Rummery's (1992) results.

Graph 1 Labour force participation rates for Australian men and women, June 2000



Source: ABS Cat. No. 6203.0, June 2000.

The Role of Occupation

The occupational characteristics of women's employment also have both a direct and indirect bearing on their superannuation savings. The indirect linkage is due to the significant relationship between occupation and earnings (see, for example, Clare, 1994, Nowak and Preston, 2000) The direct linkage between occupation and superannuation is due, in part, to the restricted access that women had to public sector employment up until 1973[8]. These restrictions resulted in women not gaining equal access to superannuation until fairly recently, a fact that is still relevant to many older Australian women. In the current environment, as shown in Table 2, access to superannuation still varies across industries, as does the rates of return from different occupation-specific superannuation funds.

Contributions to Superannuation

The difference between the superannuation payouts of men and women in Australia is also due in part to a lower level of personal contributions to superannuation by women. Those Australian

[7] See Rummery (1992), Neville and Saunders (1998) and Preston (1997), for the relationship between earnings and levels of experience.
[8] See Victorian Public Service Board (1983) for further explanation of the public service 2-year rule, which prevented married women to remain public service employees for longer than 2 years.

women who are covered by a superannuation fund generally rely on the minimum contributions that are mandated by the SGC (King, Baekaard and Harding, 1999), whereas men are more likely to make personal contributions to their superannuation funds (ABS Cat. No. 6319.0, November, 1995).

This later feature of superannuation savings may reflect the greater financial incentives that men on higher earnings and in higher tax brackets have to contribute to their superannuation schemes. It may also reflect a lack of awareness among many women of the importance of securing a future income for themselves. For example, Funder (1995) and Onyx (1998) argue that Australian women simply are not aware of the importance of planning for retirement until it is too late to take advantage of the compound interest benefits of retirement schemes. Additionally, Equal Worth (1999) found that a large majority of women, particularly married women, felt uncomfortable in seeking financial advice, including advice on superannuation.

Fees, Charges and Superannuation

The structure of fees and charges associated with many superannuation funds creates several problems for women's ability to save for their retirement through superannuation schemes. For example, problems arise for women when superannuation schemes charge a flat or minimum rate for the scheme, irrespective of the amount in the scheme. This has a disproportionate (negative) impact on small contributors (who are often women). Furthermore, when fees and charges are associated with the transfer of payments between schemes, individuals who change employment over their (paid) working lives suffer a cost when they attempt to amalgamate their superannuation savings to reap the benefits of compound interest (Cox, 1994). Women who change jobs, for example, when they re-enter the workforce after having children, can find that these fees make the amalgamation of their superannuation savings uneconomical.

An associated issue is the lack of portability of contributions between superannuation funds. Low portability implies that if a person exits the labour market or does not make superannuation contributions, the financial benefits of the scheme are lost (Lazear, 1998). The majority of superannuation funds in Australia only allow personal contributions for two years after the individual has left the labour force. Generally, funds that do not receive contributions after a certain amount of time accrue only small compound interest and produce a minimal payout, (Fletcher, 1996). Women who leave the workforce, for example, to have children, can be significantly disadvantaged by this two-year rule (see for example, Larkin, 1994).

Women's Role in the Family, Divorce and Superannuation

Before this discussion of the factors affecting women's superannuation savings is concluded, it is important to note that many Australian women rely on their partner's superannuation and other savings to finance their retirement. Women often appear to have an 'implicit contract' with their spouse that they will assume responsibility for raising children and supporting the family's domestic needs and, in return, their partner will provide financial support both pre- and post-retirement age.

However, this strategy of 'saving' for retirement can prove dangerous given that almost 50 per cent of all marriages in Australia end up in divorce (ABS Cat. No. 4102.0, 2000). Up until recently, women who separated from their husband had little legal entitlement to their husband's superannuation. For example, under The Family Law Act (1975), which provides jurisdictions for the division of property for divorcing spouses, superannuation is not included in the category of property and is therefore difficult to divide using the Act. Determining the value of superannuation, particularly from defined benefit schemes[9], has also proved difficult. Superannuation has only been considered in a small number (approximately one-third) of divorce cases in Australia (Dewar, Sheehan and Hughes, 1999) and, as shown in Table 4, women currently receive a very small portion of superannuation assets when the marriage partnership is dissolved.

Table 4 The average value of superannuation assets for men and women, in Australia, at the time of their divorce, 1999[10]

	Men	Women
Median amount	$26 152	$5 590
Mean	$71 660	$21 026

Source: Dewar, Sheehan and Hughes, (1999)

Changes that may address this problem are currently being deliberated in the Federal Parliament as part of the Family Law Legislation Amendment (Superannuation) Bill, 2000. However, many

[9] With a defined benefit schemes an employee is guaranteed a certain retirement income when they retire. This income is irrespective of amount of money generated in the fund. The employer makes up the shortfalls to and reaps the windfalls from the fund (Lazear, 1998).

[10] Despite women receiving a small proportion of superannuation assets from their divorce they could receive some compensatory share of assets, such as a larger share of the family home.

divorced women may still be left in a vulnerable situation even if superannuation assets are equally divided at the time of divorce. This is because, whilst they may receive a share of their ex-spouse's superannuation fund at the time of the divorce, their ability to add to this pool of savings will be restricted if they have a limited ability to re-enter the paid workforce. In other words, the commitments many women have make to their family prior to divorce may negatively impact on their ability to re-enter the workforce after divorce and, thus, on their ability to accumulate a sufficient retirement income.

IV THE IMPACT OF LOW RETIREMENT INCOMES ON WOMEN'S WELFARE

The above section indicated that women in Australia are faced with low incomes during retirement because of their relatively limited ability to accumulate superannuation benefits. This section discusses extent of low retirement incomes within Australia as well as the impact of low retirement income on women.

As shown in Table 5, many older Australians have access only to very low retirement incomes. For example, 56.5 per cent of singles aged over 65 relied on an income of less than $199 per week in 1997-1998. Across the adult population aged up to 65 years, only 17.1 per cent of households had this low level of income.

Table 5: Income[11] distribution across income units in Australia, (percentages)1997-1998

Weekly Income	Couples aged 15 to 65 years	Singles aged 15 to 65 years	Single parents	Couples aged over 65	Singles aged over 65	All income units
$1 to $199	8.0	26.9	5.6	6.4	56.5	17.1
$200 to $299	6.4	10.9	26.6	22.0	27.7	12.0
$300 to $399	5.8	8.9	23.6	32.5	7.0	10.4
$400 to $499	7.4	12.5	12.1	12.7	3.2	8.9
$500 to $599	6.9	12.2	8.3	9.6	1.3	8.7
$600 to $699	7.6	10.1	7.7	4.8	0.9	7.4
$700 +	57.9	18.8	16.1	11.9	3.4	35.4
	100	100	100	100	100	100

Source: ABS Cat. No. 6523.0, August 1999.

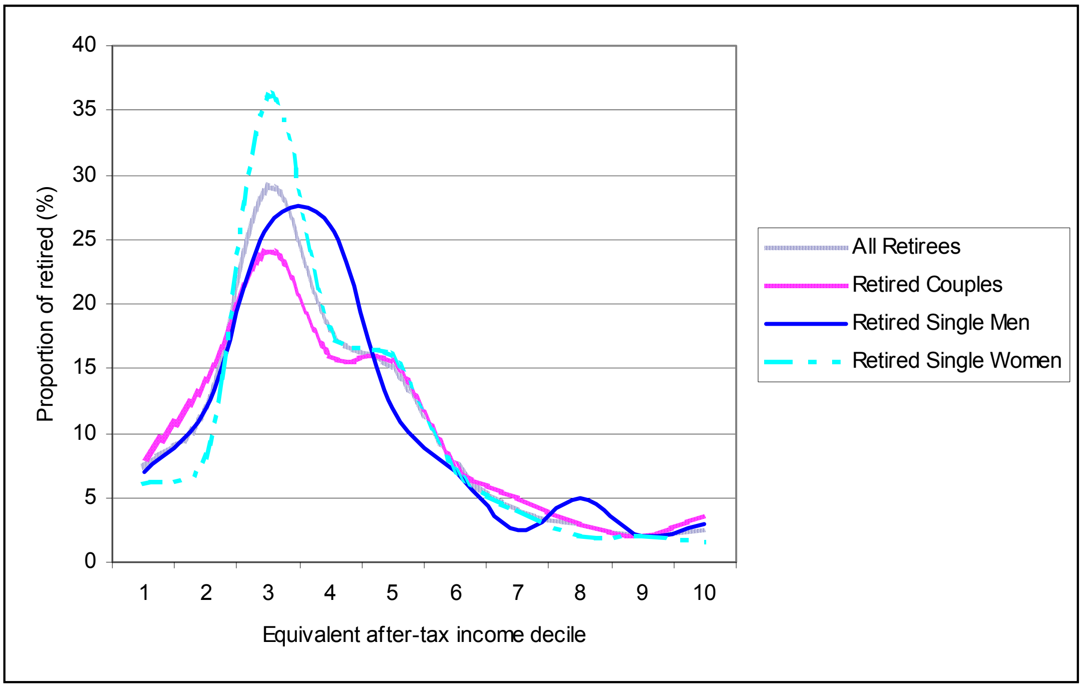
Low retirement incomes contribute to a high incidence of poverty amongst the elderly in Australia. In 1996, approximately one fifth of the population aged over 65 lived in poverty (King, 1999) and approximately one third of Australia's poor were aged over 65 (King, Walker and Harding, 1999).

[11] Income is defined by the ABS as regular and recurring cash receipts including moneys received from wages or salary, government pensions and allowances, and other regular receipts such as superannuation, workers' compensation, child support, scholarships, profit or loss from own business or partnership and property income.

Furthermore, the incidence of poverty amongst retirees is considerably higher in Australia than in other countries such as Germany and Norway and poverty rates are predicted to rise, unless appropriate policy is introduced to improve retirement incomes (Saunders, 1994).

There is substantial evidence to suggest that older women are most at risk of falling into the poverty trap due to their relatively low retirement income (Department of Family and Children Services W.A., 1996). This is particularly the case for retired women who are single whereby half of these women are in the bottom 3 deciles of the equivalent after tax retirement income (King, Walker and Harding 1999). Across the board however, the majority of elderly Australians are in the lower deciles of retirement income, as presented in the following graph[12].

Graph 2 Proportion of retirees in each decile of equivalent after tax income, 1995-1996



Source: King, Walker and Harding, 1999.

The gender wage gap between men and women also worsens during retirement. For example, in August 1991, women aged between 15-65 had a weekly income worth 84 per cent[13] of their male counterparts (ABS Cat. No. 6302.0, August 1991). However, during the same period, women older than the age of 65, had an average weekly earnings worth only 77 per cent of the corresponding male income, as shown on the following table.

[12] See King, Walker and Harding, (1999), Figure 14 page 21, for a further discussion on the proportion of pensioners in each retirement income decile.
[13] This figure is based on the average full time weekly earnings of men and women, trend data.

Table 6 **_Average weekly earnings of people age over 65 in Australia, 1991_**

Individual (weekly income)	Males	Females	Female income as a percentage of male
All persons	$231.75	$178.92	77.2
Aboriginal decent	$127.75	$141.56	110.8
Living in metropolitan area	$238.91	$182.73	76.5
Living in rural areas	$219.73	$171.58	78.0
Not in the labour force	$207.84	$174.79	84.1
Born in a country with an English speaking background	$242.90	$186.01	76.5
Born in a country with a non English speaking background	$185.69	$143.18	77.1
Never married	$213.91	$179.21	83.8
Married	$236.14	$170.00	72.0
Separated but not divorced	$198.05	$151.98	76.7
Divorces	$216.37	$175.91	81.3
Widowed	$227.66	$188.25	82.7

Source: Australian Census Data, 1991

The current levels of the age-pension contribute to these low incomes, especially for retired women (who rely more heavily on the pension than do men). As is shown by the figures in Table 7, Australia's age-pension is low by international standards. However, it should be noted that the government also provides non-cash benefits to retirees that help, in part, to supplement the low rate of the age-pension. Almost all individuals over the age of 65 are entitled to some form of non-cash government benefit such as subsidies on health, public transport and education (King, Baekgaard and Harding, 1999). In 1994, these non-cash benefits for Australia pensioners were estimated to have added an extra 46 per cent to their disposable incomes (King, Walker, and Harding, 1999).

Table 7 **_Australia's age-pension rates compared with selected OECD countries, 1998_**

Country	Gross Pension Rates Relative to Gross Average Life Earnings	Equivalent After Tax Income of Couple pensioners as a proportion of income of all non-pensioners
Australia	25	68%
Canada	37	85%
France	79	103%
Germany	45	92%
Italy	72	81%
Japan	49	-
Netherlands	32	84%
New Zealand	33	-
UK	26	83%
USA	38	85%

Source: Johnson, 1998.

The level of wealth held by retirees is also relevant to their income levels. As is shown in Table 8, wealth accumulation by Australian women is considerably smaller than that of Australian men. However, on average, single women have a higher average wealth accumulation than their male counterparts, often as a result of inheritance from their deceased male partners[14].

Table 8 Australian women's wealth accumulation as a percentage of men's, 1993

Type	Female Wealth as a percentage of Male Wealth
All females	84%
Female in a couple without children	84%
Female in a couple with children	68%
Sole parent with children	53%
Single female	120%

Source: Equal Worth, 1999.
Note: the figures in this table are based on a comparison of the wealth holdings of women and men with similar characteristics.

The type of wealth held by retirees also affects their economic status. For example, high levels of wealth may be held in the form of housing (especially in older suburbs in the major cities) but this may not translate into high levels of disposable income unless the home-owner sells her family home. Again, this may be a particular issue for women, as owner occupied housing is the largest component of the wealth of Australian women, representing approximately 57.5 per cent of their total wealth. Housing for males, on the other hand, equates to approximately 40 per cent of their wealth (Equal Worth, 1999)[15].

Superannuation represents a smaller component of wealth for Australian women. Only approximately 12 per cent of Australian women's wealth is held in this more liquid form. This proportion is less than half the share of superannuation in men's wealth holdings (Equal Worth, 1999). Again, the importance of women's relatively poor access to superannuation must be re-emphasised.

V SUMMARY AND POLICY ISSUES FOR RETIRING WOMEN

This paper has painted a somewhat bleak picture of women's economic status in retirement. The paper has noted that a large number of elderly Australian women depend on the age-pension for

[14] For example, in June 1999, over 65 per cent of all women living alone were aged over 55 years old. The corresponding male figure was 36.4 per cent (ABS Cat. No. 6224.0, June, 1999). Additionally, 77 per cent of the total population who are aged over 55 years and live alone, are female (ibid).
[15] However, one in five older persons in Australia do not own their own house, thus reducing these individual's wealth levels (King, Walker and Harding, 1999).

their retirement income. However, this form of income provides retirees with relatively low economic outcomes. Furthermore, the age-pension is under threat from government moves to shift the burden of financing retirement incomes to the private superannuation sector. Women, who have a relatively limited ability to accumulate superannuation savings, are at risk from this policy move.

If the push towards private superannuation is, as appears most likely, to continue, changes in the policy environment will be necessary to protect the welfare of elderly women. Given the importance of labour force involvement and rewards to the level of superannuation savings an individual can accumulate, many of these initiatives must address barriers to women's participation and success in the paid workforce. For example, policies that address discriminatory practices will continue to improve women's relative earnings and, thus, their capacity to save for their retirement.

The relationship between women's family commitments, their participation in the paid workforce and the structure of superannuation schemes should be a particular focus of policy makers. Policies that enable women who wish to continue their involvement in paid work whilst they are caring for children and other family members will facilitate women's ability to build superannuation savings. These policies include those which encourage the provision of 'family friendly' workplaces[16], that enable women to have periods of absence from their jobs without sacrificing their on-going employment, and that assist women with child- and elder-care (see Austen and Birch, 2000 for an overview of the issues for women associated with their family responsibilities).

In tandem with these 'labour market' policies, the current structure of superannuation schemes needs to be addressed so that women who do leave the workforce for family reasons are not penalised in their retirement. Schemes that impose minimum fee levels on superannuation accounts, that limit the amalgamation of accounts associated with different jobs and/or restrict the ability of contributors to add to their accounts whilst out of the workforce do not accommodate the particular needs of many Australian women. These features will need to be addressed to ensure women achieve equity in the superannuation 'market'.

Current policy moves to change laws relating to the division of superannuation assets must also be supported. As was noted in Section 3 of this report, many Australian women are left without

[16] Family friendly workplace practises include flexible working hours, part time work, job sharing, working from home, compressed working week, paid maternity leave, paid paternity leave, career breaks, use of employee sick days

superannuation assets when they divorce. Proposed changes to the Family Law Act should remedy this to some degree. However, women who have foregone their own careers while married are unlikely to be able to add to any share of superannuation assets that they receive and, thus, may still suffer a disadvantage at retirement.

The structure of tax incentives provided in support of superannuation also deserve further attention. Current rebates (such as those to assist the superannuation savings of dependent spouses) do not help low-income families who have only a limited ability to make additional contributions to superannuation. The tax incentives are also inequitable in the sense that they provide little financial relief for people on low taxable incomes, whilst the tax advantage provided to high income earners can be substantial (Fletcher, 1996). As women, on average, earn less that men there is a current inequity in the allocation of this form of government assistance.

Beyond these measures to improve women's ability to save for their retirement through superannuation contributions, there is a need for an adequate "safety net", such as the age-pension. Most of the above policy initiative would be of benefit to younger women, enabling them to achieve better private incomes by the time that they retire. However, older women have a very limited ability to respond to any initiatives relating to superannuation and they will need other forms of government assistance if they are to have a secure and dignified retirement.

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for family commitments, nursing mother rooms, employee assistance program, support groups for employees with family issues, and seminars for employees with family issues (Mulvenca, 1999).

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