

ANMF SUBMISSION TO THE RETIREMENT INCOME REVIEW

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**Australian
Nursing &
Midwifery
Federation**



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Introduction

1. The Australian Nursing and Midwifery Federation (ANMF) is Australia's largest national union and professional nursing and midwifery organisation. In collaboration with the ANMF's eight state and territory branches, we represent the professional, industrial and political interests of more than 280,000 nurses, midwives and carers across the country.
2. Our members work in the public and private health, aged care and disability sectors across a wide variety of urban, rural and remote locations. We work with them to improve their ability to deliver safe and best practice care in each and every one of these settings, fulfil their professional goals and achieve a healthy work/life balance.
3. Our strong and growing membership and integrated role as both a trade union and professional organisation provides us with a complete understanding of all aspects of the nursing and midwifery professions and see us uniquely placed to defend and advance our professions.
4. Through our work with members, we aim to strengthen the contribution of nursing and midwifery to improving Australia's health and aged care systems, and the health of our national and global communities.
5. The ANMF welcomes the Government's commission of an independent review of the retirement income system (the Review) and thanks the Government for the opportunity to respond to the Retirement Income Review Consultation Paper and to make a submission to the Secretariat of the Review.
6. The ANMF ask the Secretariat to read our submission in conjunction with that of our peak body, the Australian Council of Trade Unions (ACTU). The ANMF supports the submissions of the ACTU and the recommendations set out in the submission with respect to retirement income.

Retirement

7. The ANMF recognises its responsibility to campaign for a just and democratic society beyond the workplace. The ANMF supports reforms that will ensure a decent, dignified and comfortable retirement for members who are concluding their paid working lives. No person should face the prospect of poverty, homelessness or sacrificing basic necessities in the latter part of their lives.
8. Retirement should offer greater opportunity to participate in community, to follow interests and contribute to the economy. This requires more than a bare minimum retirement income. The ANMF considers the objective of retirement income should be to allow a comfortable, dignified life.



9. The Age Pension is intended to fill the role of providing a basic safety net, but for many this is not achieved, with nearly a third of those receiving the Aged Pension living in poverty.⁹
10. Home ownership is also relied upon as a pillar of financial security in retirement. Increasingly, however, as the cost of home ownership continues to increase beyond the reach of more and more people, particularly younger people and people experiencing disadvantage, this cannot be treated as the same cornerstone of retirement it once was.
11. In addition, the number of older people reaching retirement age is expanding and women continue to live longer than men. With greater numbers entering retirement, superannuation and savings are key to providing for a comfortable, as opposed to a basic retirement.
12. The ANMF acknowledges the importance of each of the three pillars of retirement income and that any reforms must be viewed holistically. The ANMF supports increasing the Age Pension to ensure a dignified living and increasing access to the Pension through greater accessibility. Housing policy should address affordability, supply affordable housing and offer greater support for people in rental housing.
13. Superannuation reform, particularly as it impacts women, is the focus of this submission.

Superannuation

14. The introduction of compulsory superannuation in 1992 for the majority, rather than select groups of employees, was and remains a significant achievement that continues to be the source of financial security and a dignified life in retirement for many working Australians. What has become apparent as the superannuation scheme matures and working lives and social norms have changed rapidly in the last decades, is that the benefits of superannuation are not equally accessible to all working people.
15. Women, Aboriginal and Torres Strait Island people, low income workers and those who are engaged on contracts and self-employed have not had the same opportunities to participate in superannuation schemes. The impact of this is cumulative and results in irreparable disadvantage across all aspects of working people's lives.
16. The ANMF seeks reform to the superannuation system that redresses systemic disadvantage and lack of access over the full working life of individuals and continuing into the years of retirement.

¹ Davidson and others, Poverty in Australia, 2018 ACOSS/UNSW Poverty and Inequality Partnership Report No.2, p. 27



17. The ANMF's membership is predominantly female. Overall workforce data shows that 89 % of registered nurses, enrolled nurses, nurse practitioners and midwives are women² and this is indicative of the composition of ANMF's membership. On this basis, the ANMF has focussed on the areas of superannuation that create barriers for women accumulating adequate superannuation for a comfortable retirement.

18. As identified in the report '*A Husband is Not a Retirement Plan*',³ there are many structural barriers to women participating fully in the workforce and being equally rewarded for their work.

*'Gender pay gaps represent a career long penalty for women which is reflected in prospective lifetime earnings.'*⁴

This means that even for women who have worked full time all their working lives, they are likely to retire with less superannuation than their male counterparts. The systemic issues that result in pay inequity must be addressed to improve all aspects of working women's lives. Issues specific to superannuation are addressed in this submission.

19. The ANMF supports the 19 recommendations⁵ made in the Senate Report and notes with dismay that little if anything has been done to implement those recommendations.

20. The ANMF considers the key reforms that must be implemented to improve retirement outcomes are:

- Remove the \$450 threshold
- Paid super on parental leave
- Enable low super balances to be increased with incentives and appropriate tax concessions via an accumulation pathway
- End the compulsory superannuation freeze and increase the superannuation guarantee
- Make superannuation universal and payable on every dollar earned
- Improved education and information

21. These reforms will benefit all working people, but will be particularly beneficial for those who have experienced systemic disadvantage in superannuation contributions, being women, Aboriginal and Torres Strait Islander people, people from CALD backgrounds and low income workers.

² <https://www.aihw.gov.au/reports/workforce/nursing-and-midwifery-workforce-2015/contents/who-are-nurses-and-midwives>

³ Senate Economic References Committee, '*A Husband is not a Retirement Plan*': Achieving Economic Security for Women in Retirement (Canberra: The Australian Senate, 2016)

⁴ Ibid p 8

⁵ Ibid, xii-xv



22. ANMF members have told us there superannuation stories; they support the need for reform that will help improve their retirement living outcomes.

The ANMF National Superannuation Survey 2020

23. The ANMF conducted a survey of members over a period from 10 to 21 January 2020. A copy of the survey is attached. The survey received over 1100 responses and 550 members took the opportunity to tell their own story of how they are approaching or have approached retirement income.
24. The information gathered in the survey and recommendations for improvements to the retirement income system that will most address the concerns of ANMF members.

Survey respondent demographics

25. 87.5% of respondents to the ANMF National Superannuation Survey were female, thus reflecting the workforce composition as a whole. Respondents were spread across age brackets as set out in the graph below. Over 45% of respondents fell within the 55-64 age group. Table 1 below further separates the proportion of respondents who worked in a particular employment class by gender and age.

	Registered Nurse (RN)		Registered Midwife (RM)		Enrolled Nurse (EN)		Assistant in Nursing/Personal Care Worker (AIN/PCW)		Nurse Practitioner (NP)		Other		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female		Female	Male	
65 +	71	10	12	-	11	1	1	-	-		41	9	156 (14%)
55 - 64	291	42	34	2	53	5	6	1	6		53	4	497 (45%)
45 - 54	143	28	11	-	20	5	2	1	1		20	1	232 (21%)
35 - 44	89	12	5	-	9	-	1	1	-		6	1	124 (11%)
25 - 34	60	8	4	-	7	1	1	-	-		3	1	85 (8%)
Under 25	2	-	-	-	-	-	-	-	-		-	-	2 (0%)
Total	656	100	66	2	100	12	11	3	7		123	16	1114 (100%)
	(58.9%)	(9.0%)	(5.9%)	(0.2%)	(9.0%)	(1.1%)	(1.0%)	(0.3%)	(0.6%)		(11%)	(1.4%)	
	756 (67.9%)		68 (6.1%)		112 (10.1%)		14 (1.3%)		7 (0.6%)		139 (12.4%)		

Table 1: Indicates the frequency of responses received from members where age, gender or employment classification responses were provided. Proportions are determined as a percentage of the total number of survey responses received (n = 1114). Not represented in the table are 12 respondents did not provide indication of their age or employment classification. 3 respondents who indicated they did not identify as female, male, other or non-binary and 3 respondents who preferred not to reveal their gender.



26. Overall the largest percentage of responses came from those who indicated they were a registered nurse (RN, 67.9%). Other was the second most represented category (12.4%) with many responses within this category indicating they were retired and no longer holding a position. enrolled nurses (ENs, 10.1%), midwives (RMs, 6.1%), assistants in nursing (AINs, 1.3%) and nurse practitioners (NPs, 0.6%) indicated their employment classification within the survey.

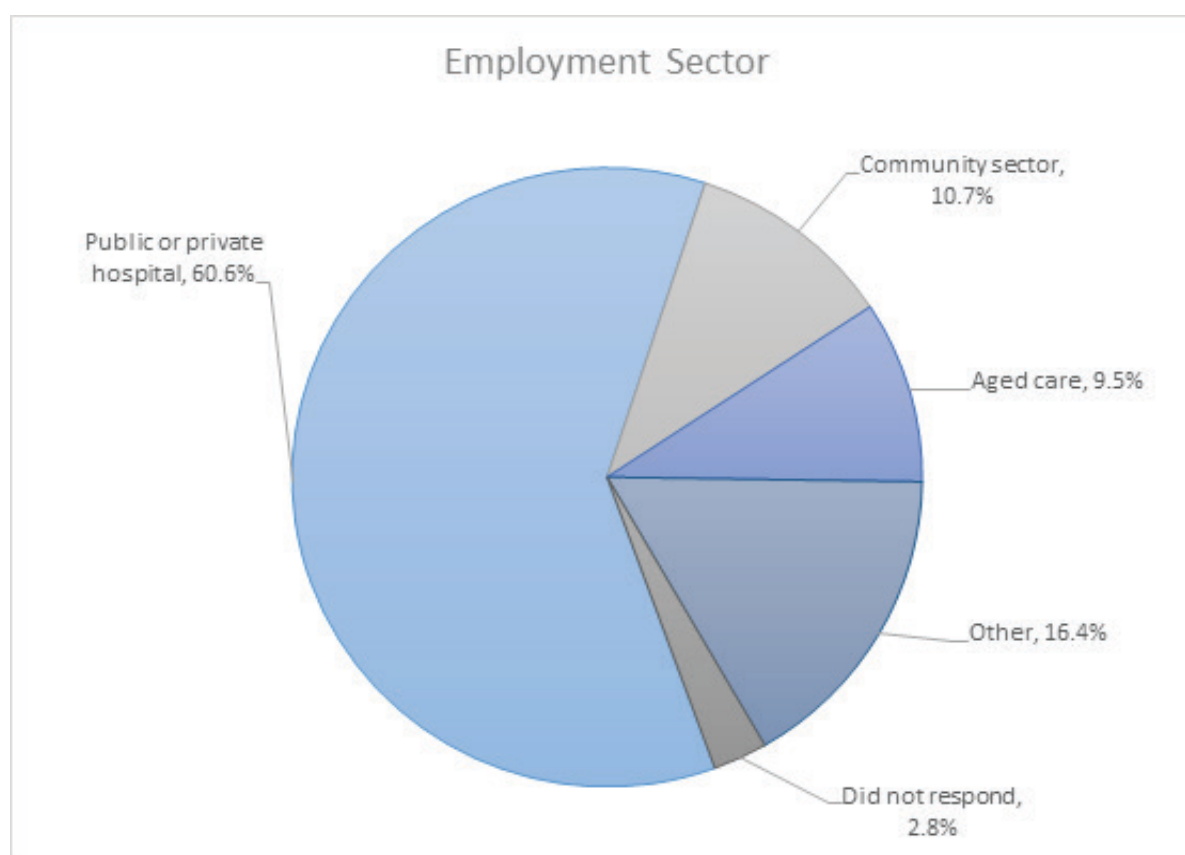


Figure 1: Survey respondents (n = 1083) provided an indication as to which employment sector they worked in however, 31 (2.8%) of survey participants did not provide a response to this question.

27. Figure 1 shows a majority of respondents (60.6%) indicating they worked within the public or private hospital sector. Where 'Other' response was provided (16.4%) participants noted through further explanation that they worked in a variety of other health system sectors and/or were retired. Workers from the community sector and aged care provided approximately 10% of responses each.



Years in paid employment

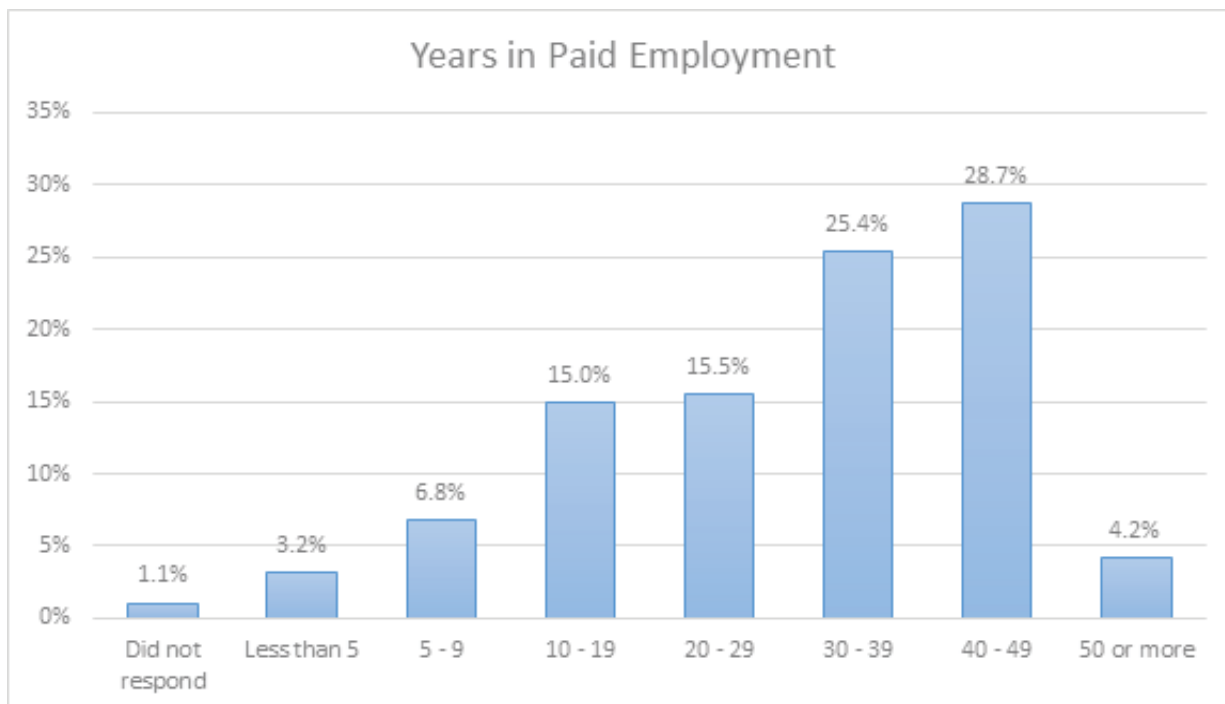


Figure 2: The proportion of responses provided by survey participants (n = 1114) where the number of years worked in paid employment was indicated. 1102 survey participants (98.9%) indicated they had worked an amount of time in paid employment, 12 survey participants (1.1%) did not provide a response to this question.

28. The majority of survey participants indicated that they had been working in paid employment for between 40 and 49 years (28.7%), the second largest majority then indicated they had worked in paid employment for between 30 and 39 years (25.4%). Overall 54.1% of respondents had worked in paid employment for between 30 and 49 years. This trend is largely supported by the proportion of respondents who indicated they were 55 years of age or older (59%). An individual who had begun employment at the age of 20 years old would have worked 35 years by the age of 55 if working continuously with no break in employment, this is however in some circumstances an unrealistic scenario.

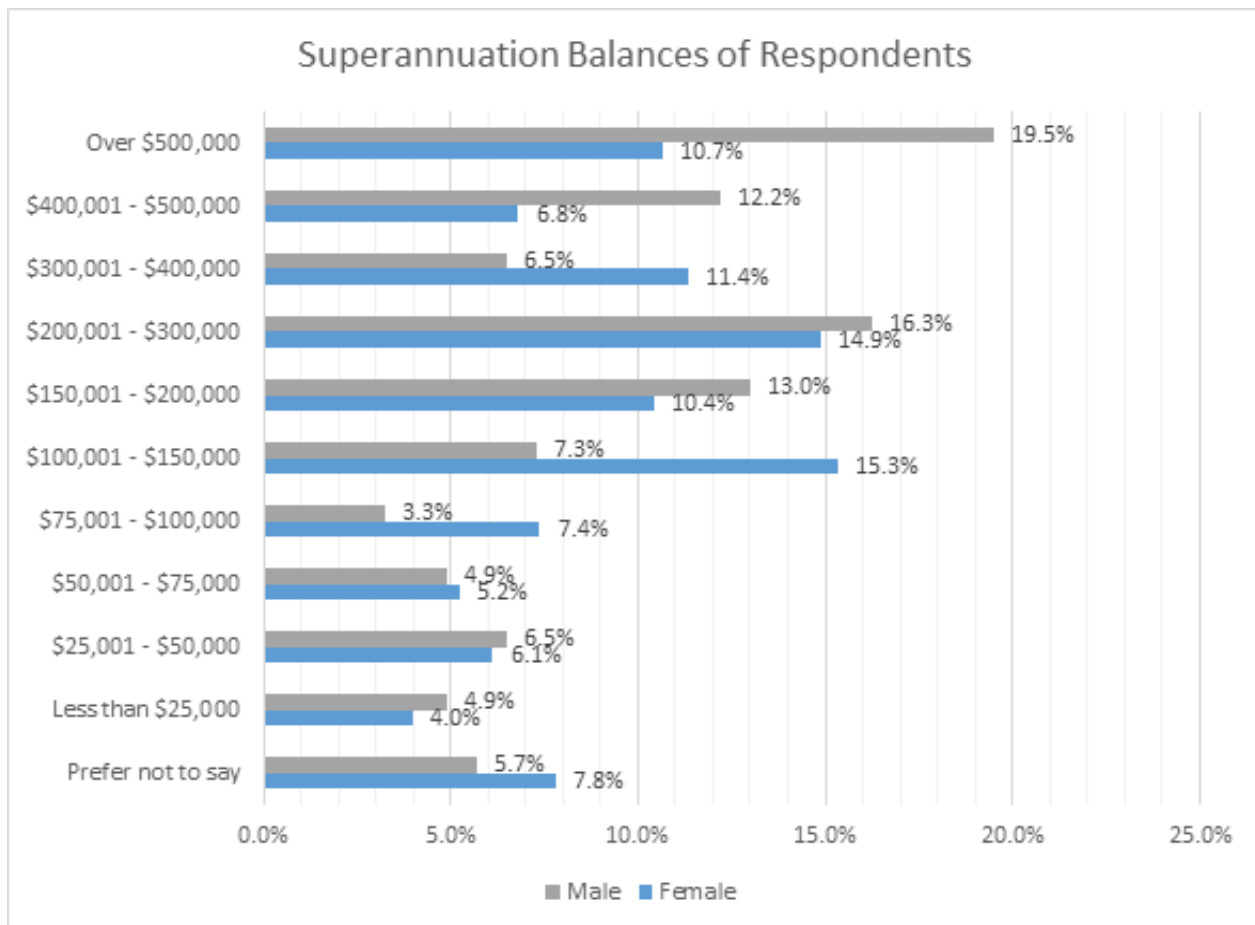


Figure 3: Respondents (n = 780, 681 female, 99 male) who were aware of their superannuation account balances provided an indication of the value of their account/s at the time of the survey.

29. Females who provided a response were most likely (15.3%) to hold between \$100,001 and \$150,000 in their superannuation accounts. Males comparatively were most likely (19.5%) to hold in excess of \$500,000. Of those respondents who indicated a superannuation balance in excess of \$300,00, 28.9% were female and 38.2% were males. Of the responses indicating they held less than \$100,000, 30.5% were female and 25.8% were male.

Are you satisfied with your current superannuation balance?

30. In response to the question 'Are you satisfied with your current superannuation balance?' nearly 60% of members across all ages groups told us that they were unsatisfied with their current balance. The following tables show the breakdown of those who were satisfied with their balance by age bracket.



Satisfaction with current superannuation balance (Q15), by age

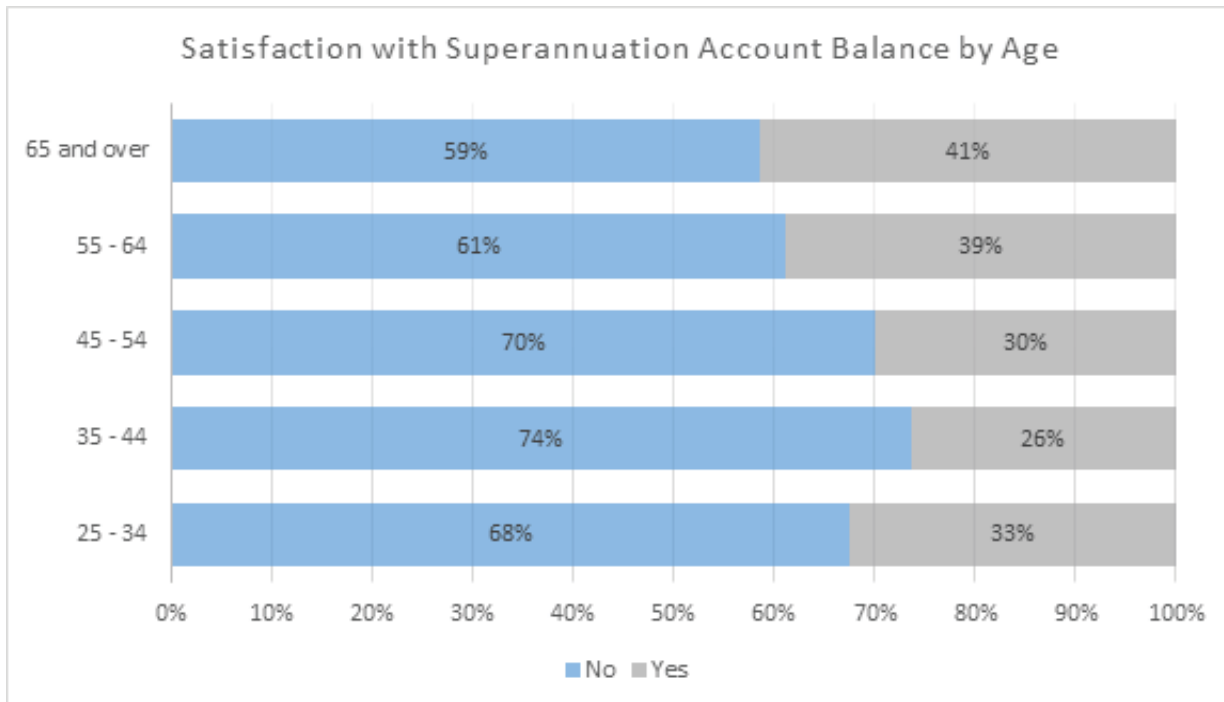


Figure 2: Respondents (n = 1002) who indicated 'yes' or 'no' to being satisfied with their current super balance, separated by age group.

31. Respondents between 35 and 44 years of age most frequently indicated they were unsatisfied with their superannuation balance (74%), this was followed by those in the 45 – 54 age group and 25 – 34 age group respectively.
32. The high level of dissatisfaction across all age groups, but in particular those people in the middle years of their career is cause for concern. The dissatisfaction is indicative of people having low superannuation balances, inadequate superannuation to meet their retirement needs or a lack of confidence and knowledge about what a healthy superannuation balance looks like. Given the majority of respondents were women, it is also likely that barriers to superannuation have or are having an impact on their superannuation balances.



Do you think you will have sufficient finances (in savings and/or superannuation) to enable you to retire comfortably

33. The survey tells us that with respect to superannuation, many of our members face retirement with inadequate super that will not provide a comfortable life. Over all age brackets 44% of respondents said they did not think they would have sufficient finances in savings and superannuation to enable a comfortable retirement. The table below shows a breakdown of age groups as to whether they anticipate sufficient finances to retire comfortably.

Anticipation of sufficient finances to retire comfortably (Q.19), by age

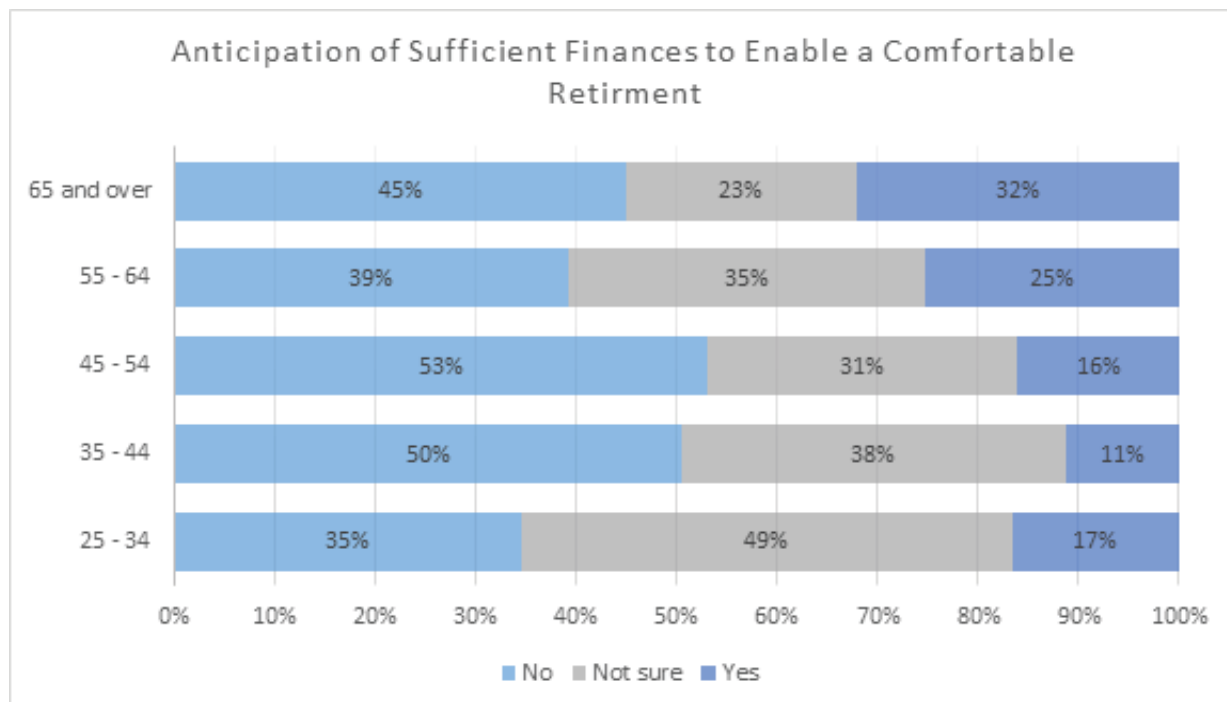


Figure 4: Respondents (n = 1105) who indicated 'yes', 'no' or 'not sure' to whether they anticipate having sufficient finances (inclusive of savings and/or superannuation) to live comfortably upon retirement, separated by age group.

34. Respondents in the 45 to 54 age group most frequently anticipated their savings (inclusive of superannuation) being insufficient to live comfortably upon once retired. Half of those in the 35 to 44-year-old age group provided the same indication and 45% of those in the 65 and over age group also.
35. Of those in the 55 to 64-year-old age group, 39% indicated they did not anticipate having sufficient savings to live comfortably upon retirement. A further 35% were unsure if their savings would be sufficient to live comfortably.



36. An increase in 6% of respondents indicating they did not anticipate their savings being sufficient (between the 55 to 64 age group and the 65 and above age group) may reflect respondents who were somewhat confident in their savings being sufficient pre-retirement, who then found their savings to be insufficient following retirement.
37. The above results indicate there is a high percentage of survey respondents who anticipate they will face financial difficulty in retirement. Also of concern a significant number are unsure about whether they are in a satisfactory position or not. This is particularly the case for younger workers.

Have you had an unpaid break in employment? (eg period of unemployment, unpaid leave or return to full time study)

38. Sixty-three per cent of members reported that they had taken an unpaid break during their employment.

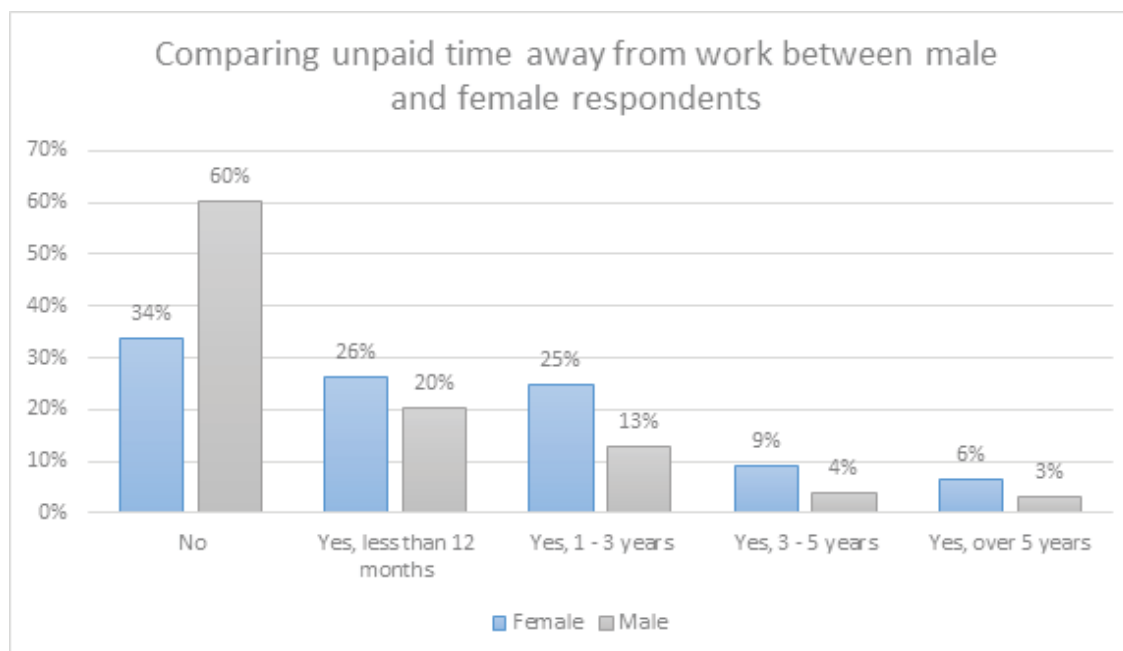


Figure 6: Shows the proportion of female (n = 965) and male (n = 133) respondents (as a proportion of total male or female responses) who indicated they had taken unpaid time away from work.

38. Of respondents who were female 66% indicated they had taken unpaid time away from work and 34% indicated they had not. Overall 50% of female respondents indicated they had taken between 0 and 3 years of unpaid time away from work. Comparatively 60% of males indicated they had not taken any time away and if they had, the majority (20%) had taken less than 12 months.

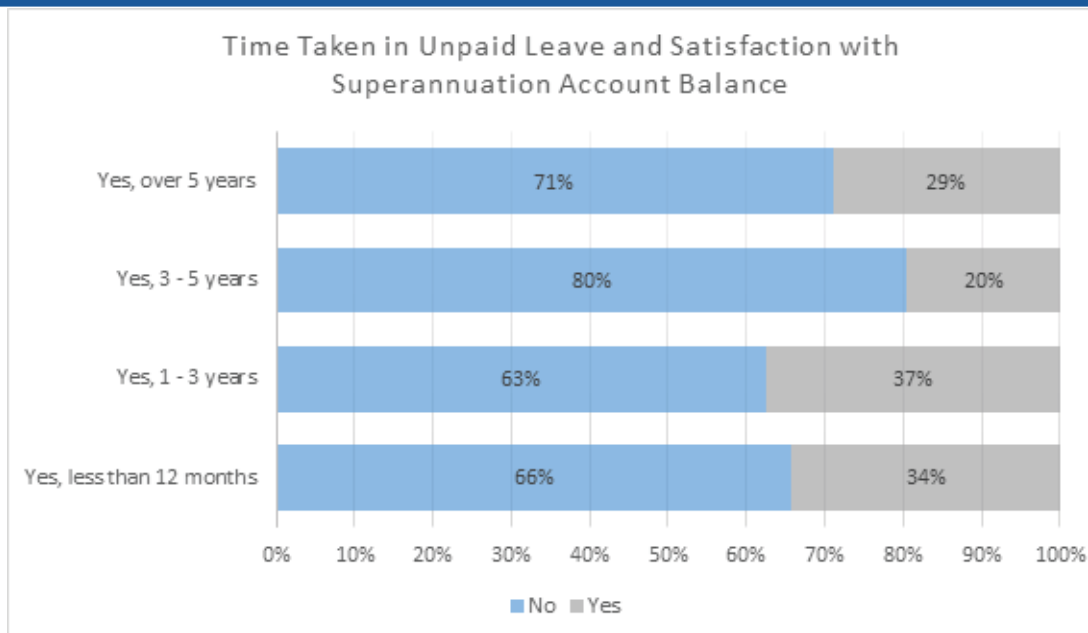


Figure 7: Respondents who provided a 'yes' or 'no' response to being satisfied with their current super balance, that also indicated they had taken an amount of unpaid leave (n = 997), separated by time taken for leave.

39. Of respondents who had taken unpaid leave of between 3 and 5 years, 80% indicated they were not satisfied with their current superannuation balance. The second least satisfied group were those who had taken in excess of 5 years of unpaid work, of this group 71% indicated they were unsatisfied with their superannuation account balance. All groups who had taken an amount of unpaid time away from work indicated a dissatisfaction with their superannuation account balances in excess of 63%.

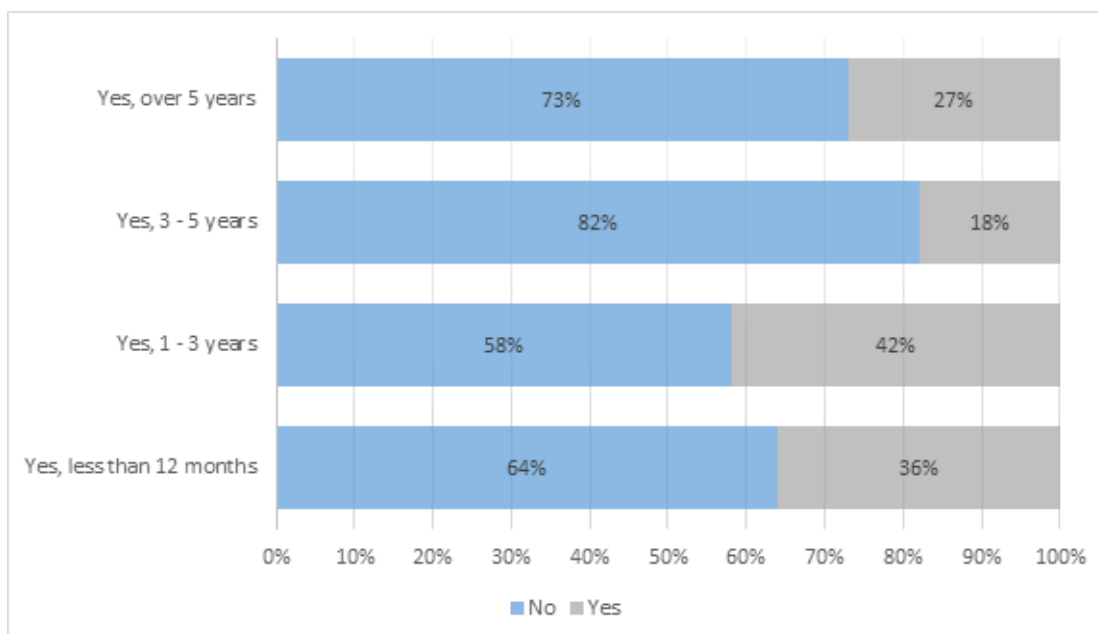


Figure 6: Respondents in the age group 55 to 64 who provided a 'yes' or 'no' response to being satisfied with their current super balance, that also indicated they had taken an amount of unpaid leave (n = 997), separated by time taken for leave.



40. Responses from those within the 55 to 64-year-old age group, i.e. the group closest to but not having yet retired provided an indication of dissatisfaction with their superannuation account balance similar to that of all survey respondents in aggregate. The most dissatisfied were the 82% of these respondents who had taken unpaid leave of between 3 and 5 years, 73% of those who had taken over 5 years unpaid leave indicated the same.
41. The survey data supports the contention that taking unpaid breaks has an impact on superannuation balances and that this is significant in terms of retirement income.

Members responded to their level of engagement in super

42. Members were asked 'During your working life, have you been engaged in your superannuation account by doing any of the following?' Members could select all that applied of the list of actions below.

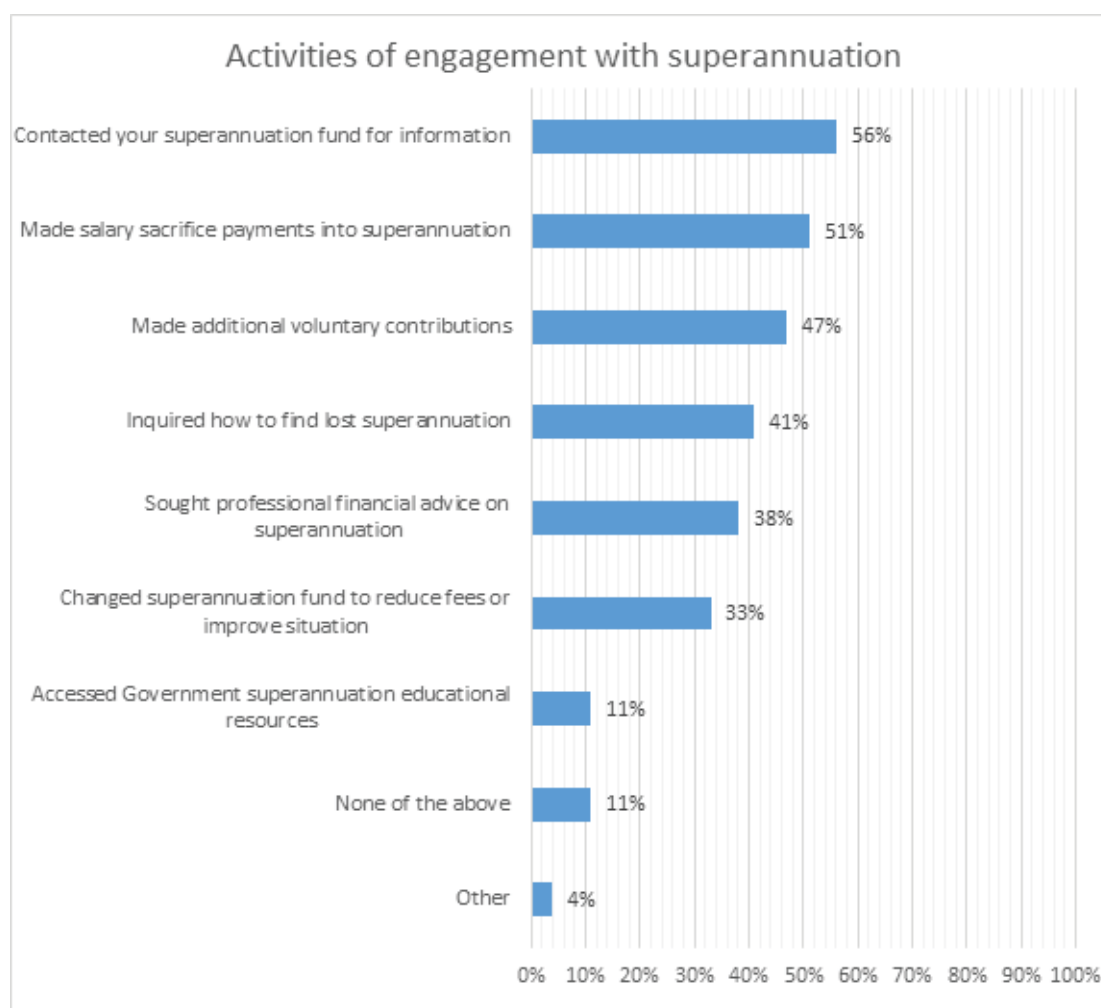


Figure 7: The percentage of respondents (as a percentage of total responses to the survey) who indicated they had engaged with their superannuation account via one or more of the listed actions.



43. Of the total population surveyed, 56% of respondents indicated they had contacted their superannuation fund for information, 51% had made salary sacrifice payments and 47% made additional voluntary contributions. These activities indicate that over half of respondents were in some way active in better understanding their superannuation and approximately 50% identify importance in ensuring healthy account balances, having made an effort towards increasing their overall superannuation account balances.

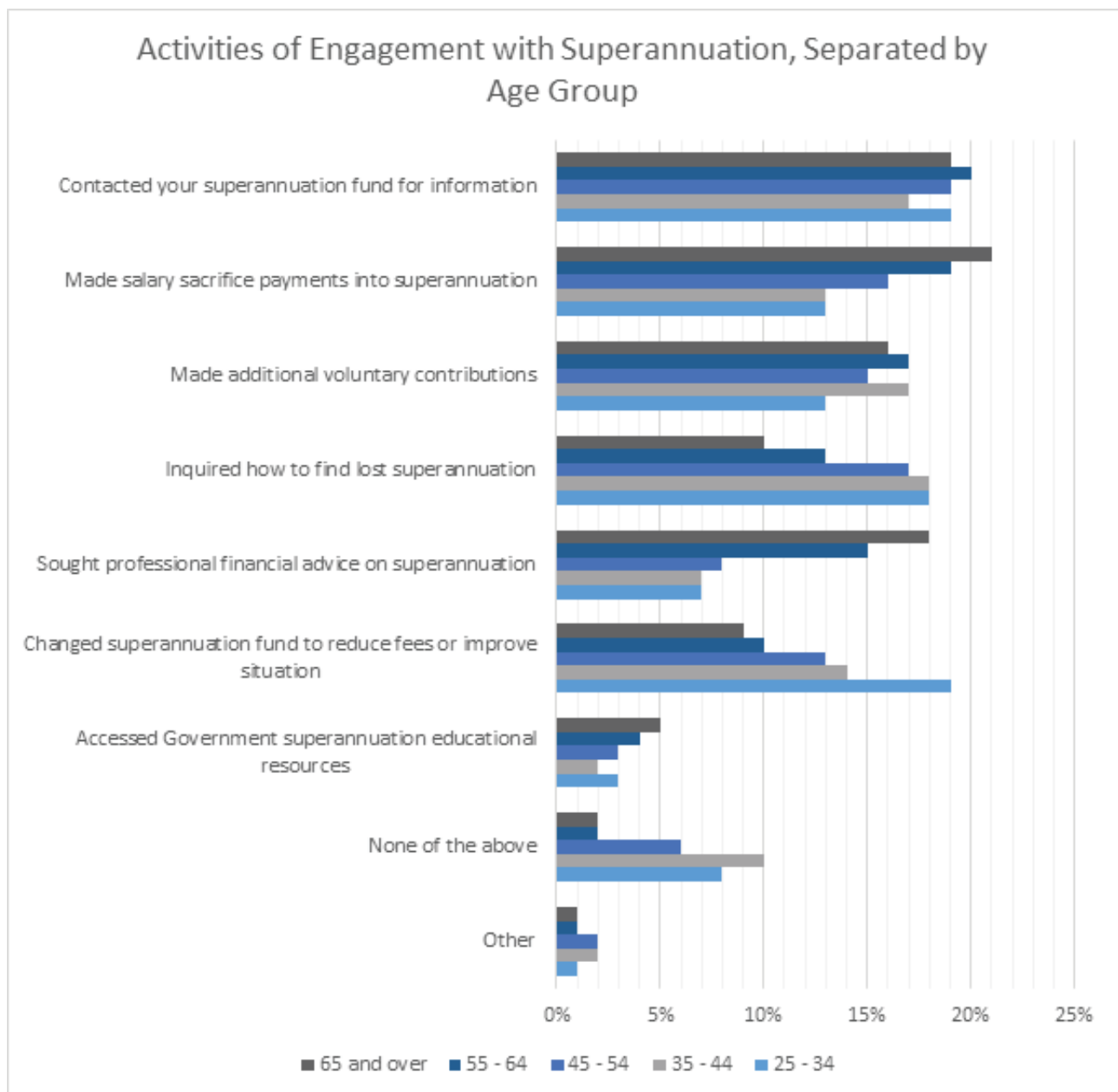


Figure 8: The percentage of respondents (as a proportion of each age group), separated by age group, who indicated they had with their superannuation account via one or more of the listed actions. i.e. of 100% of 35 - 44 year old's who had provided a response to this question, 17% had contacted their superannuation fund for information.



44. Separating participant responses by age group provides an indication of which age group is more likely to have engaged in a particular superannuation account activity. Older age groups (55 +) indicated more frequently that they had made salary sacrifice payments into their superannuation accounts and had sought professional advice on their superannuation. Younger age groups (25 – 34) indicated more frequently that they had made an effort to locate lost superannuation and that they had changed their superannuation fund to reduce fees or improve their situation. Those aged between 25 and 45 were most likely to have enquired as to how lost super could be found.

The barriers to a comfortable retirement, especially for women

45. The report *'Not so Super, For Women- Superannuation and Women's Retirement Outcomes'*⁶ detailed the many barriers to women accumulating sufficient superannuation for a comfortable retirement. The report described the compounding and linked effect of so many factors mitigating against women as a 'wicked problem'.⁷
46. The ANMF survey results indicate that some three years on the problem is still a wicked one.
47. Members provided over 550 qualitative responses about their superannuation experiences. One member told the following story about why she faces a precarious future in retirement. The elements of her story speak of the common disadvantages women face in trying to build financial security for their future:

'I married at age 24 and had nearly 10 years of no income or superannuation while I raised 5 sons. Then I found myself separated and divorced with 5 children under 10 years of age. It took another 15 years before I was able to get full time work, with most of that 15 years not receiving child support and only working casual and part-time contracts.

It is only through doing a post registration bachelor of nursing and counting every dollar and living a meagre existence and seeking financial advice and constantly applying for higher paid jobs that I was able to get my own home. I have been behind my peers financially for more than 30 years and the only way to retire without debt was to access my super after I turned 60 and pay down my mortgage. Realistically this has reduced the amount that I will have access to in retirement.

⁶ David Hetherington and Warwick Smith, *Not so Super, For Women: Superannuation and Women's Retirement Outcomes* (Melbourne: Per Capita and Australian Services Union, 2017)

⁷ Hetherington and Smith, p6



Women are significantly disadvantaged financially through child rearing responsibilities and for those in my age bracket there's little that can be done to make a difference to our super balance and prospects of comfortable retirement. I have recently undertake post graduate studies to give me more opportunities to work part time during my retirement.

It's likely I will have to consider working until I'm at least 70 despite the arthritic knees and back injuries and chronic anxiety disorder that I feel has been directly attributed to by nursing and financial disadvantage.

It's time that a significant change was made to super payment for women especially those who have children and are sole parents. Without change we will be creating generational financial hardship.'
Member 55-64

48. A retired member described the following:

'Working part-time most of the last 40 years [due to having and raising 3 children] super seemed the last thing to think about as part of the family budget. However when I had an accident requiring extensive surgery, I was unable to return to work and had to retire. My husband still works full time and we survive on that with a small draw down from my super- certainly nowhere near enough to replace the income I retired from. Once again we are on a tight budget despite me working for the last 45 years. It's certainly not a comfortable retirement.'

49. Many other member stories highlight the factors that affect women over their working lives that result in them having inadequate superannuation balances for retirement. Some of those are illustrated below:

- **Taking parental leave**

I have worked hard with extra voluntary contributions to boost my balance. I'm about to go off on maternity leave with my first child and will likely return to work part-time. I am concerned about the long term effect this will have on my retirement savings. I think superannuation should be paid on parental leave entitlements. Member 25-34



- **Casual and part-time employment**

I've spent some of my life as a carer for my parents and have raised children. Much of my work was casual employment and the super I earned was so low as for many years barely counted. I have not previously earned enough to even consider contributing to it myself. Now in my 40's and working full-time- there aren't enough years to make up for the ones I wasn't earning super. Member 35-44

'I've only work 18 years and that was part time. Age care seems to be a part time industry. And I've been on my own for the past 14 years so I will retire at 67 hopeful if the body don't fail me, poor.' Member 55-64

'I'm employed on a casual basis and don't often earn enough to qualify for super' Member 55-64

- **The cost of living and financial pressures**

In the current economic climate, with my single income being relied upon to care for two disabled family members due to the DSP being insufficient for sustaining a meaningful life, I will never be able to make voluntary contributions or plan for retirement. I expect to work until I pass. Member 25-34

I will have to sell my house when I retire as I will struggle to pay the mortgage. Member 44-55

Now a single woman no longer owning a home and therefore in the rental market to meet accommodation needs, it is difficult to make extra contributions to superannuation. I had previously always salary sacrificed. Financial advice needs to be less costly, less complex and more readily available. Member 55-64

- **Superannuation not compulsory in early years of career**

When my younger colleagues ask why I'm still working I tell them that for the first 20 years of my working life there was no superannuation for women, so it's catch up time for me. I am in an industry fund which I am very happy with. I wish super had been compulsory when I first started working, I would be a lot better off and probably retired now.' Member 55-64



- **Relationship breakdown**

My husband took his superannuation after 28 years of marriage and I got the broken down house, 3 children, 5, 8, and 13. Never seen him since. Hahaha I am never retiring! Member 55-64

I lost \$270,000 of my superannuation accumulated over a lifetime of work in the property settlement following my divorce. It was the only way I could keep my house..’ Member 55-64

- **Intersection of aged pension and superannuation**

My superannuation has been impacted by my husband’s pension eligibility. Because he is much older than I am, for him to get his pension, I can’t earn a lot of income. Because I am not earning a lot of income, I’m not getting a lot of superannuation... my future financial requirements are jeopardised because of his immediate pension needs.’ Member 55-64

- **Lack of education**

I don’t think there is enough education about how much is required for a comfortable retirement... especially for women who have to take career breaks to raise children. Member 25-34

50. All of the above member quotes illustrate the features of the ‘wicked problem’. They have an ongoing and compounding effect on women and must be addressed. For Aboriginal and Torres Strait Islander workers, people from CALD backgrounds and other people experiencing disadvantage, such as disability, ill-health, premature ageing, the effects of insecure work, the features of the problems are further compounded.

What are the positive experiences of superannuation?

51. Through their comments some members told us of positive experiences in superannuation. Thirty-three per cent said they were satisfied with their balance and a further 22% said they think they will have sufficient finances to retire comfortably. The quotes below indicate that knowledge of the system and maximising contributions over as much of a person’s working life as possible are key features to ensuring a financially secure retirement.

The best thing I did was take control by choosing my own super fund and actively participating in the process to maximise my future benefit no matter how small or large this is. I did this after listening to a work economist on the radio one quiet morning in the outback while on-call around 1995. Do not depend on the system but know the system. Member 65 +



I have been fortunate as I have taken an interest in my super and understand the benefits of accumulating over the long term. I have attended Union conferences with reps from super funds in attendance and this gave me the opportunity to discuss issues with them...Although my super account which needs to cover my dependent spouse is considered by the industry as just 'adequate' I believe it will accommodate our retirement needs to suit us. I am a lot better off than many. Member 65+

52. Similarly, members told us that good advice early in their careers can be invaluable and bring long-term benefits.

I have been lucky enough to talk to my super fund people at a nursing conference who gave me great advice and contacted my afterwards. Was one of the better things I've done. Member 55-64

Salary sacrifice was recommended to me from an older nursing colleague almost 20 years ago because she was in a position of having not enough superannuation. This was some of the best advice I ever received regarding planning for retirement and I feel more should be done to inform nurses of this option as it's an easy way I feel to increase your superannuation total for retirement. Member 55-64

Areas for reform of particular importance to ANMF members

53. As the above member stories highlight there are multiple points at which women in particular are disadvantaged when preparing for and entering retirement. The ANMF considers there are a range of measures that should be taken to address that disadvantage, while also ensuring the retirement income system is equitable and benefits all participants.
54. As referred to above, the ANMF supports the 23 recommendations of the ACTU.
55. The ANMF makes the following recommendations for reform as they are particularly relevant to our members.

Remove the \$450 threshold

56. Legislation should be immediately enacted to remove the \$450 per month minimum earnings threshold for SG eligibility.



57. Workers in casual employment, or on low hours of part-time work should not be ineligible for superannuation. For example, aged care workers who may work for multiple employers within a month but earn less than \$450 in each role are currently paid no superannuation, even though cumulatively they may earn as much as those who do receive superannuation. Women are over-represented in part-time and casual positions in the workforce, the \$450 exemption to the superannuation guarantee disproportionately affects women.
58. The ANMF considers the \$450 threshold a barrier to adequate retirement income that must be removed.

Superannuation on paid and unpaid parental leave

59. Members told the ANMF that they would welcome superannuation accruing on both paid and unpaid parental leave.

When on maternity leave and not earning anything we don't get any superannuation contributions while on leave and that affects how much superannuation we have when I want to eventually retire. We should be able to have some sort of small contribution to super. Member 25-34

When I took time off to care for my children no super going in. Working part-time to care for children has dramatically reduced the amount into super whilst my husband's is growing huge amounts. Mine is very minimal, I'm very scared for my retirement

60. As discussed above, the impact of periods of years of little or no income due to child birth and rearing is significant and ongoing. Some workplaces are addressing this at an enterprise level, for example, under the *Nurses and Midwives (Victorian Public Sector) (Single Interest Employers) Enterprise Agreement 2016-2020*, superannuation is payable on any period of paid parental leave.⁸
61. Payment of superannuation when on paid and unpaid parental leave would be a significant reform to alleviate the cumulative effect of periods of unpaid leave in working life. This would assist a large number of women and would not discriminate against men, who should also be encouraged to take leave to rear children.

⁸ AG2016/7047 p.37



62. Legislative reform should ensure paid parental leave is treated as other forms of leave that are eligible for superannuation payments. Methods of making payments during periods of unpaid parental leave should also be identified and appropriate legislative and policy changes implemented. Such reform would address the common concern of ANMF members about the effects of unpaid time out of their careers to care for children.

Accumulation pathway

63. ANMF members told us in their qualitative responses that contributing to their own super balances made a difference. Many expressed frustration with the \$25,000 concessional tax cap on contributions and indicated they would contribute more if the cap were higher. They pointed out that this would represent a saving on demand for the Aged Pension.
64. The ANMF notes however, that raising the concessional cap benefits high income earners and creates greater opportunity for wealth creation at the expense of tax contribution. In addition, any reform should benefit all low income or low superannuation balance workers, not just women.
65. The *Not So Super, For Women* report addresses this concern by proposing that superannuation policy be considered with an accumulation pathway as a guide.⁹ The pathway shows a super balance over a working life that would provide a modest standard of living in conjunction with the Aged Pension. The report recommends incentives and tax concessions for workers whose super balance falls short of the accumulation pathway.
66. The ACTU submission endorses the implementation of an accumulation pathway as a means of determining whether a worker will have enough money for retirement and setting policy. The ACTU suggests further inquiry and evidence would be needed to determine what the pathway target should be.
67. The ANMF agrees that setting an accumulation pathway that indicates the level of superannuation balance required as a person ages and approaches retirement age would be a valuable tool for a number of purposes. This would provide useful information for workers to be able to assess their current balances and where they sit in relation to the pathway.

⁹ Heatherington and Smith, p.



68. In addition, the pathway would provide an appropriate threshold to set policies and legislative change, in a way that ensures benefits are received by those who currently do not have sufficient super balances, but does not provide a tax haven for wealthier workers. The *Not So Super, For Women* report for example suggests

- A co-contribution top-up of 2.5% of income, paid annually, for account holders more than 5% below the accumulation pathway. This top-up would be phased out on a sliding scale as balances approach the accumulation pathway
- Removal of 15% contributions tax for all men and women more than 10% below the pathway¹⁰

69. The ANMF does not make any specific comment on these tax and contribution reforms, but supports reform that addresses systemic disadvantage and provides opportunities for workers with inadequate superannuation balances to improve their balances by removing barriers to contributing over their working lives.

Compulsory Superannuation

70. The ability of workers to make voluntary contributions to their superannuation is variable and dependent on many individual circumstances. Employer compulsory superannuation contributions are the foundation of superannuation schemes and must remain so.

71. In 2014, the government legislated a temporary freeze on the compulsory superannuation contribution rate at 9.5% until 2021, rather than increasing to 12% by 2019 through annual increases of 0.25%. The negative impact of the compulsory superannuation contribution freeze are multi-faceted and include:

- Reduced retirement outcomes for the majority of older Australians
- Increased government expenditure on the age pension

¹⁰ Ibid, p.24



- Disproportionate high impact on younger workers due to the compounding effect of foregone investment returns on lower contributions
- Deferring of retirement age in order to make up lost contributions
- Compounded effect on women, low wage and gig economy workers¹¹

72. The ANMF calls for an immediate end to the 2014 superannuation guarantee freeze as a minimum step to redress the disadvantage caused by the delay in increasing employer contributions to superannuation.

Increase the Superannuation Guarantee

73. Compulsory employer super contributions must increase as a matter of urgency. The impact of delay is compounding and a significant factor in delivering workers, particularly those with multiple disadvantages, into poverty in retirement.

74. The ACTU recommends the Superannuation Guarantee increase to 12% immediately and legislate a pathway to a rate of 15%. Strong consideration should be given to accelerating the pathway for women to mitigate against the gender retirement gap.

75. The ANMF supports the immediate increase to 12%, a legislated pathway to 15% Superannuation Guarantee and acceleration of that pathway for women and other disadvantaged workers.

Universality of Super

76. Super must be for everyone- particularly as workforce engagement becomes more varied and insecure. The benefits of superannuation must be available to all workers, regardless of age, hours worked, or nature of employment engagement.¹²

77. In addition superannuation must be paid on every dollar earned, including overtime. Payment should also be made to workers who are unable to work and are on workers compensation. The ANMF refers to and supports the ACTU submission with respect to attaining universality of superannuation.

¹¹Industry Super Funds 'How the super freeze could be costing you thousands' published 7 May 2018

¹²Living well after work Submission of the Australian Council of Trade Unions to the Retirement Income Review, 3 February 2010, p44-49



Education and information

78. ANMF members spoke of the benefit of knowing about and understanding their superannuation scheme. Conversely, a lack of knowledge and ability to access information was seen as a barrier:

Barriers faced in contributing to super savings are; a lack of information guides in easy to understand formats from super funds. Superannuation workshops are not run frequently enough by the various super funds. Taking time off to attend workshops during the working week is often difficult to arrange, with some bosses not approving time off to attend Member 45-54.

79. Others spoke of uncertainty about where to get good advice, the cost and complexity of getting advice.

80. The ANMF recommends more be done to ensure workers are educated and supported throughout their working lives to understand superannuation and how to maximise their superannuation outcomes. Raising awareness of the benefits of superannuation and its role in overall retirement income, particularly for young people as they enter the workforce, should be approached collaboratively between employers, superannuation funds, government and unions.

Conclusion

81. It is apparent from ANMF member stories that those who consider they will have enough superannuation and savings for a comfortable retirement are in the minority. Factors that may influence their assessment of having enough may include being able to contribute to their own super, having limited unpaid periods of time over their working life, having the support of a partner and the benefit of home ownership.

82. Clearly, none of these factors can be relied upon the time for assuming joint finances, home ownership and long periods of unbroken full-time work as an employee are the norm have passed. This change must be reflected in all policy areas that affect retirement income.

83. At the same time, the barriers to attaining a comfortable retirement must be recognized and addressed. Those barriers are experienced by women over their working lives, Aboriginal and Torres Strait Islander people, workers on low incomes, in insecure work and with CALD backgrounds.

84. The ANMF considers any reforms to superannuation must be equitable and benefit all disadvantaged groups. Equally, tax concessions that favour high income earners or assist in generational wealth creation must be reconsidered and redirected to benefit those most in need of improving their retirement outcomes.



85. Any reform to superannuation must take place in the broader context of achieving reforms that improve access to services such as education, health and aged care, obtaining affordable housing and a just and socially progressive tax system. Systemic disadvantage requires systemic reform.
86. The ANMF welcomes any future opportunity to comment on measures designed to improve the retirement income outcomes for all working Australians.



ANMF National Superannuation Survey

The ANMF is conducting a survey to give our members the opportunity to tell us about their experiences of superannuation, any potential barriers faced in contributing to superannuation savings and whether a comfortable retirement is a likely prospect.

The ANMF would like to use this information you provide **anonymously** in the survey to inform and assist us to speak on our members behalf in our submission to the Retirement Income Review that the Federal Government has announced recently.

The survey will only take 5 minutes to complete and will close on **21 January 2020**. We also encourage members to share the survey with colleagues.

1. What is your age bracket?

- | | |
|--------------------------------|-----------------------------------|
| <input type="radio"/> Under 25 | <input type="radio"/> 45 - 54 |
| <input type="radio"/> 25 - 34 | <input type="radio"/> 55 - 64 |
| <input type="radio"/> 35 - 44 | <input type="radio"/> 65 and over |

2. Gender:

- ☐ Female
- ☐ Male
- ☐ Do not identify as female or male /other /non-binary
- ☐ Prefer not to say

3. Postcode:

4. Do you identify as Aboriginal or Torres Strait Islander?

- ☐ Yes
- ☐ No
- ☐ Prefer not to say

5. What is your current employment classification?

- ☐ Registered Nurse
- ☐ Registered Midwife
- ☐ Enrolled Nurse
- ☐ Assistant in Nursing /Personal Care Worker
- ☐ Nurse Practitioner
- ☐ Other (please specify)

6. Which of the following best describes your employment situation?

- ☐ Full-time
- ☐ Part-time
- ☐ Casual
- ☐ Self-employed
- ☐ Unemployed
- ☐ Taking break from work for any reason
- ☐ Retired
- ☐ Studying
- ☐ Other (please specify)

7. In what sector are you currently employed?

- ☐ Public or private hospital
- ☐ Community sector
- ☐ Aged care
- ☐ Other (please specify)

8. How many years have you been in paid employment?

- ☐ Less than 5
- ☐ Between 5 - 9
- ☐ Between 10 - 19
- ☐ Between 20 - 29
- ☐ Between 30 - 39
- ☐ Between 40 - 49
- ☐ 50 or more
- ☐ N/A

9. Have you had an unpaid break in employment? (e.g. period of unemployment, unpaid leave or return to full time study)

- ☐ No
- ☐ Yes, less than 12 months
- ☐ Yes, 1 - 3 years
- ☐ Yes, 3 - 5 years
- ☐ Yes, over 5 years

10. What is your current average gross income per annum? (before tax is deducted)

- ☐ \$10,000 or under
- ☐ \$10,001 - \$25,000
- ☐ \$25,001 - \$40,000
- ☐ \$40,001 - \$55,000
- ☐ \$55,001 - \$70,000
- ☐ \$70,001 - \$85,000
- ☐ \$85,001 - \$100,000
- ☐ Over \$100,000
- ☐ Prefer not to say

11. Do you receive the minimum legal superannuation payment of 9.5% from your employer?

- ☐ Yes
- ☐ I don't get paid super
- ☐ Unsure
- ☐ I am paid more than the 9.5% from my employer

12. Do you have multiple superannuation accounts?

- ☐ Yes
- ☐ No
- ☐ Unsure

13. Do you know your current superannuation balance? (inclusive of all accounts)

- ☐ Yes
- ☐ No

14. If yes, what is your current balance?

- ☐ Less than \$25,000
- ☐ \$25,001 - \$50,000
- ☐ \$50,001 - \$75,000
- ☐ \$75,001 - \$100,000
- ☐ \$100,001 - \$150,000
- ☐ \$150,001 - \$200,000
- ☐ \$200,001 - \$300,000
- ☐ \$300,001 - \$400,000
- ☐ \$400,001 - \$500,000
- ☐ Over \$500,000
- ☐ Prefer not to say

15. Are you satisfied with your current superannuation balance?

- ☐ Yes
- ☐ No
- ☐ Prefer not to say

16. During your working life, have you been engaged in your superannuation account by doing any of the following? (Select all that apply)

- ☐ Contacted your superannuation fund for information
- ☐ Made salary sacrifice payments into superannuation
- ☐ Inquired how to find lost superannuation
- ☐ Changed superannuation fund to reduce fees or improve situation
- ☐ Made additional voluntary contributions
- ☐ Sought professional financial advice on superannuation
- ☐ Accessed Government superannuation educational resources
- ☐ None of the above
- ☐ Other (please specify)

17. At what age do you plan to retire?

- ☐ < 50
- ☐ 50 - 54
- ☐ 55 - 59
- ☐ 60 - 64
- ☐ 65 - 69
- ☐ 70 - 75
- ☐ Over 75

18. How important is superannuation to your retirement plans?

- ☐ Highly important
- ☐ Important
- ☐ Somewhat important
- ☐ Not important
- ☐ Unsure

19. Do you think you will have sufficient finances (in savings and /or superannuation) to enable you to retire comfortably?

- ☐ Yes
- ☐ No
- ☐ Not sure

20. If already retired, are your retirement savings sufficient?

- ☐ Yes
- ☐ No
- ☐ Not sure

21. Do you currently own your own home?

- ☐ Yes, outright
- ☐ Yes, with a mortgage
- ☐ No, don't own home

22. Do you expect that when you retire you will own your own home?

- ☐ Yes, outright
- ☐ Yes, with a mortgage
- ☐ No, do not expect to own a home

23. We would love to hear your story - remember no identifying data is requested and all will be treated anonymously.

Tell us if you think that the superannuation you've received will or has been enough, any potential barriers faced in contributing to superannuation savings, and what you think needs to be improved to make it work better.

We value your participation in this survey and thank you for taking the time to complete.