

**Kasy Chambers, Executive Director**  
**Speech to the Older Women's Network**

## **International Women's Day - 8 March 2016**

### **Towards a Fairer Future**

#### **Check against delivery**

Good morning

I would like to start by acknowledging the traditional and original custodians of this land, and especially on International Women's Day, the Aboriginal women who have contributed so much to their communities over many, many years and still do today. Strong, respectful, dignified women.

Anglicare Australia is a network of 40 organisations united by a passion for social justice, a history in the Anglican Church and a concern to speak out for those vulnerable and disadvantaged. One in 40 Australians uses an Anglicare member service and our footprint is in every community at every stage of the life course.

In 2015 we commissioned the economic modeling organization, NATSEM to develop a model for us so we could see who is being left behind ... indeed whether anyone was being left behind. Then Prime Minister Tony Abbott, on the first day of his Prime Ministership, promised that his government would leave no one behind. The experience in our services, at the coal face, told us otherwise.

The research took three snapshots, in 2004/05, 2014/15 and 2024. The gap between those in the top and bottom quintiles grew by 13% between 04/05 and 14/15. That gap is projected to grow at a further 10.4% in the next 10 years.

Of the groups being left behind, women are predominant in all of them - single parents, carers, older person households and those in the lowest income quintile. These same groups are projected to go backwards in the next 10 years. Disaster when you're already on a low income. This can be compounded again if you're Indigenous, speak a first language other than English, have a disability or live outside an urban centre.

It might seem heretical to suggest on International Women's Day that this isn't about women. However, I want to say it's not chromosomal that women earn less, or that men have greater retirement savings. I want to point out that we are talking about low income groups and that women just happen to be in the majority in each of them.

I do this not to ignore gender, but to point out how ridiculous it is that just because women bear babies, we then structure a society around them being the only ones that can possibly care for them, parent children and care for elderly parents and parents-in-law.

Let me say up front here, I do not mean to diminish caring. It is an immensely important part of human life and one which adds to individuals and communities. But breaks from the workforce caused by caring are, I contend, the biggest reason for the income gap in retirement savings between men and women.

I also want to note that I am the first to say that economics is not everything, and I know that income is not wellbeing. However, for brevity in this presentation I am going to use income as a proxy for living standards and living standards as a proxy for wellbeing. After all, we all know that wellbeing is more than dollars, but money does help us purchase things which contribute to our wellbeing!

I could tell a hundred stories from across our network of older women who have fallen onto hard economic times. Their stories are so familiar, so ordinary that you would feel you know them. Time doesn't, however, allow for that today. Nor do I want to recite statistics to establish the status quo, this is a well-informed audience, but it is worth rehearsing a few recent numbers and facts.

The Australian Council of Trade Unions (ACTU) yesterday released a report which showed, amongst many things, that we are actually back to where we were 20 years ago in terms of pay equity; that 70% of part-time workers are women, that female graduates only earn 82% of their male counterparts wages on exiting university, and that even children's pocket money shows a gendered difference of 11%!

Robbie Campo, writing in *The Age* this week wrote "in modern Australia, our daughters and our sons start their working lives in an even footing....At 18 you're pretty certain the future will take care of itself. But if your daughter could fast forward 40 years, we'd all be shocked by what she sees.

Despite a lifetime of working hard and caring for family, your daughter and most of her girlfriends will likely be among the 80% of single women unable to afford a comfortable life in retirement. In fact more than a third of them, if single, will retire in poverty".

HESTA, an industry super fund for those employed in health and community services, report that their average fund holder is a 46 year old woman with less than \$50,000 in her fund. Woefully little to retire on.

As home ownership drops, especially amongst those on lower incomes, Anglicare Australia's Rental Affordability Snapshot seeks each year to explore what it is like to be seeking rental accommodation on a low income.

In 2015, we surveyed 65,614 properties across the country, in urban and rural settings in every state and territory. As usual the statistics from this were grim.

If you were a single person on an aged pension (which many older women are) you would have found 0.9% of them affordable. If you were on Newstart Allowance, which you would be to the age of 65 if you require social security, and you were looking to rent in a capital city you would have found just one property across all the capital cities together.

Just by the by, we became a bit interested in this one property. It turned out it was the living room in a share house in Canberra. No privacy, nowhere to leave your things securely, nowhere to be safe.

To understand how we got to this situation for older women, we need to acknowledge that the situation today is a result of policy 40, even 50 years ago. As we make policy based on what we know, the policy, made 40 years ago, would have been based on experiences and knowledge even earlier than that.

We need a special kind of telescope to look back through time to see how we got here and, more importantly, ensure when we make policy today we are mindful of the effect it has on people's lives in 40 years' time.

So when we look at a woman of 65 today we are looking back through our telescope to a time when the understanding of the workforce and society was very different. Superannuation for example is a very crude, very blunt instrument.

The more you earn the more you accumulate, the already rich getting richer. Policy for older Australians today harks back to a time when you went to school, finished school and went to work (or college), got married, bought a house, stayed in work, stayed married and retired.

Today is different. Divorce, different partnering and unpartnering patterns; more porous boundaries between work and not work as people study, take sabbaticals, start work, re train, get laid off, semi retire; lower levels of home ownership, renting for longer.

The transitions are more complex and more common and not always of people's own choosing. All these things make our current policy settings unfit for current purpose.

Our actions and solutions then need not to be piecemeal. They need to be forward looking, nimble and flexible. They need to ameliorate the difficulties for the population of today and prevent poverty for those of the future.

The following are a few suggestions from Anglicare Australia. Most are contained in our various submissions to government and in our research reports and writings. It is appropriate that I point out that Anglicare Australia is completely nonpartisan. We are simply interested in the policy, not in which side makes it.

I've divided our suggestions into a few areas. I wanted to provide you with a beautiful diagram of overlapping circles, or a continuum of policy. However, the relationship between each of these areas and each other, and between them and the whole, is much too complex and multifaceted for a two dimensional drawing. That in itself points to the need to tackle this in many policy areas and on many fronts.

There's also a great deal of chicken and egg about where to start and which one is primary and in which order even to talk about them, so I'll just start with income.

### *INCOME*

- We have to address the gender pay gap. However, at the risk of committing a heresy I do not believe that the pay gap is responsible on its own for the poverty that some women find themselves in in older age. It is responsible for inequity sure, but I think that the main culprit is how we treat caring responsibilities.
- While women continue to be the main carers, it seems their income will always be lower. While their income is lower, the sensible economic decision in a couple is for them to be the carer.
- While on income, we must increase government benefits. Research commissioned by Anglicare Australia from NATSEM showed that people on Newstart spent 122% of their income. They are going backwards, eating into savings, pawning possessions, making necessary unhealthy food choices, stretching friendships, and entering unsustainable and untenable loan arrangements.
- Benefits should be assessed regularly by an independent commission to take them out of politics.

### *CARING*

- As I have started to say, we must spread the economic cost of children. I don't mean the basket of goods type cost that calculates how much they eat, the cost of their child care, etc. I mean the future cost borne by the parent that takes the break from the workforce.
- Parental leave should be shared between genders and perhaps even forgone entirely if one of the couple doesn't take it, to encourage both to take it (this would have the added benefit of reducing discrimination in the workplace if men were as likely as women to take more caring leave).

- We need to pay superannuation on caring benefits and parental leave. Carers give \$60 billion a year according to Deloitte modeling commissioned by Carers Australia. The bare minimum we can do is to pay super on the government carers benefit; really it should be on replacement cost.

### *SUPERANNUATION*

- One easy thing we can do straight away is to remove the \$450 per month limit. It seems to me to be a bit of a hangover of the original implementation of the superannuation when we were afraid of the amount of admin of the scheme. However it is no longer relevant. Many part-timers (and we know from the ACTU that 70% of those are women) run a portfolio career; some hours in an aged care service, weekend shifts at the local pub, and a shift with another disability provider. These workers are missing out on the right to superannuation and over a period this adds up.
- We have done some modeling within our own network and within a couple of organisations we found that if we removed the \$450 limit, we would have spent an extra \$220,000. That is \$220,000 that is missing from an individual's superannuation account. And when we looked at the break up of those on less than \$450, 67% were women. Our superannuation partners at HESTA tell us that even \$20 a month makes a huge difference over time.
- We have to retain the Low Income Superannuation Contribution. This is an absolute no brainer in terms of getting people's accounts balances up.
- We need to pay superannuation on caring benefits and parental leave to reduce the impact of the breaks from the workforce.
- All of these can easily be funded from the money that is currently spent on high income superannuation tax breaks, an area growing at 12% a year!

### *TAXATION*

Firstly let me say tax is NOT a dirty word. It is the mark of a society; it makes us better than a collection of individuals. It should be celebrated not avoided.

- We do need a real root and branch reform like we were promised. It needs to have a 40-year view and not be frightened of three-year political cycles. Witness the flush of vested interests making their concern for themselves and the status quo heard via backbenchers every time something is mooted.
- One way to remove the fear of tax changes is to actually legislate and schedule tax change every three to five years. This takes some of the political fear out of tax reform. Regular reviews will also enable the tax system to develop alongside societal and economic and work change changes as they occur, instead of playing catch up 40 years later.

- We must separate the provision of housing from the development of private wealth funded by the whole community via the tax system. We have long been calling for negative gearing and capital gains tax expenditure to be targeted to the provision of affordable, appropriate housing. We continue this campaign and are delighted to hear more voices alongside us in this.

## *HOUSING*

Much of the current policy for older Australians is based on the assumption that people own their own house.

- The aged pension is adequate (just) if you don't have to pay for accommodation. Residential aged care is underwritten by the thought that someone will have a house to fund it.
- As people age, suitable housing helps them be cared for in their own homes. Once again addressing this saves money, not costs money; the federal government's most recent data shows that the average community care package is \$18,600, the average residential cost \$56,000.
- As I've said, we need to rebalance the provision of housing and wealth accumulation. Current rental agreements favour the owner and do not recognise that people stay longer in rental accommodation now. We need to offer greater stability and security to renters without impinging on the rights of house owners.
- We've talked about the negative gearing and capital gains tax being targeted to the provision of suitable affordable housing earlier.

## *INFRASTRUCTURE*

We need to build age-friendly communities. We believe that human life is not a marketised privately funded activity and therefore neither is ageing. Universal design for public spaces and housing may be expensive at the outset, but it ensures then that it is suitable for children, families, people with disabilities, as well as the aged. Some issues are simple such as public toilets, seating in green spaces; these make it easier and more affordable for everyone to enjoy their leisure time freely and healthily.

## **Conclusion**

I began with our research about WHO we are leaving behind. But a more lingering, troubling, yet opportunity-filled question is are we okay with leaving anyone behind.

Are we as a country happy to leave behind our proud identity as an egalitarian country of opportunity for all? Is this the national version of the corporate rebrand? Sharper, meaner, leaner, harder edge, ready for the new world? If you can't shape up, ship out?



Anglicare is concerned about a growing class that lives on the edges, precariously connected to the workforce, living in insecure housing without access to the resources to weather a storm. Guy Standing (2011) calls this the Precariat and it's our observation that women (of course) are over represented.

It's a bitter irony that those who contributed deeply to our society by caring, can't themselves be cared for by the community they helped create.

If we are to be a society, not a group of individuals, we need to wake up, shake ourselves and repair the damage while we can.

It's time for us to make a choice for a fairer future and recommit to a country with values (and actions) we can all be proud of, and all care for.

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