

RE: COVID-19 Inquiry

Women in Super has prepared this submission in response to the call for submissions and evidence to the COVID-19 Response Inquiry.

WOMEN IN SUPER

Women in Super (WIS) is a national advocacy and networking group for women employed in the superannuation and wider financial services industries. WIS advocates to improve women's retirement outcomes and access to superannuation.

OVERVIEW

In 2020, the previous government allowed Australians experiencing financial hardship through the COVID-19 pandemic to access up to \$20,000 of their super. 5 million applications for up to \$10,000 payments were approved. Data has shown that in only 14% of cases was this money used exclusively for household expenses, rent or mortgage payments, or paying off debt¹.

Allowing Australians to plunder their super for purposes other than retirement has disproportionately impacted women and low-income earners, and for some, their balances will never recover.

Of the 2.9 million Australians who accessed their super early - the lowest income earners will be hit hardest. The bottom 20 per cent of wage earners will lose \$3000 a year in retirement and have little or no change in their age pension entitlement because they will already be on the full rate².

It is estimated up to 1 million Australians wiped out their entire super savings. Industry Super Australia estimates a 30-year-old who took out \$20,000 would be \$80,000 worse off at retirement³.

A joint analysis conducted by Women in Super and AIST in 2020 found that the gender gap in superannuation doubles for women under 34 if they have used the early release of superannuation scheme to combat financial hardship brought on by the COVID-19 pandemic.

Women aged 25 to 34 withdrew on average 35% of their balance, compared to 29% for men in the same age bracket. In all age brackets, women withdrew a greater proportion of their account balance when compared to men. Between ages 30 to 34 the median account balance for women is \$30,129. Withdrawing \$10,000 is 1/3 of the balance of the member's account, and withdrawing a second amount would leave the member with around \$10,000 in their account⁴. This was seen in

¹ [Australian Institute of Family Studies, September 2021.](#)

² [Industry Super Australia, 7 August 2020](#)

³ [Industry Super Australia, 16 March 2023](#)

⁴ [Hodgeson, H, 20 April 2020](#)



practice in the funds, who saw members aged 18-24 withdrawing an average of 78% of their balance, and members 25-39 withdrawing 68%⁵.

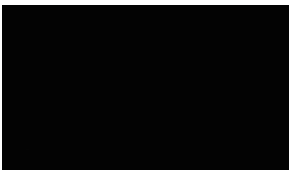
RECOMMENDATIONS

Australian women were let down by this scheme, which was not analysed thoroughly on the long-term impacts and their disproportionate effect on women and low-income earners.

We strongly recommend:

- A gender lens is applied to all future policy changes to ensure women do not continue to be unfairly impacted and future generations are not relegated to a retirement in poverty.

Yours faithfully,



Jo Kowalczyk,
CEO, Women in Super

CONTACT

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⁵ [Batchelor, R, August 2020](#)