

Chapter 5 – Financial Security

Main findings



- In 2008, Queensland women earned an average of \$976.10 per week in full time ordinary time earnings – \$181.20 less than men, who earned an average of \$1,157.30 per week.
- Industrial segregation (the concentration of women in traditionally undervalued industries, and their lack of representation in highly valued, traditionally male-dominated industries) is one important contributor to the pay gap.
- Performance of unpaid caring and domestic work appears as a primary reason for women's reduced participation or non-participation in the workforce. Fewer working hours and breaks from the paid labour force are correlated with reduced long term wage outcomes, and lower levels of superannuation.
- Sole parent families, most of which are headed by women, constitute a substantial portion of those families living in poverty.
- More Queensland women than men are dependent on government pensions and benefits.
- Of the 5,722 people declared personally bankrupt in Queensland in 2007-08, 44% were female.
- An Australian survey found more females than males owned or were paying off the house they lived in, but females were less likely than males to have other investments.
- Women have significantly lower superannuation coverage and balances than men.

'In 2008, Queensland women earned an average of \$181.20 less than men per week.'

Introduction

Financial security enables people to participate in society. It reduces their vulnerability to poverty and associated disadvantages such as poor education, health, housing and employment outcomes. Such disadvantages have far-reaching impacts that can span across generations. As women are overrepresented as primary carers of children, it is important to consider the wider effects of women's poverty on children.

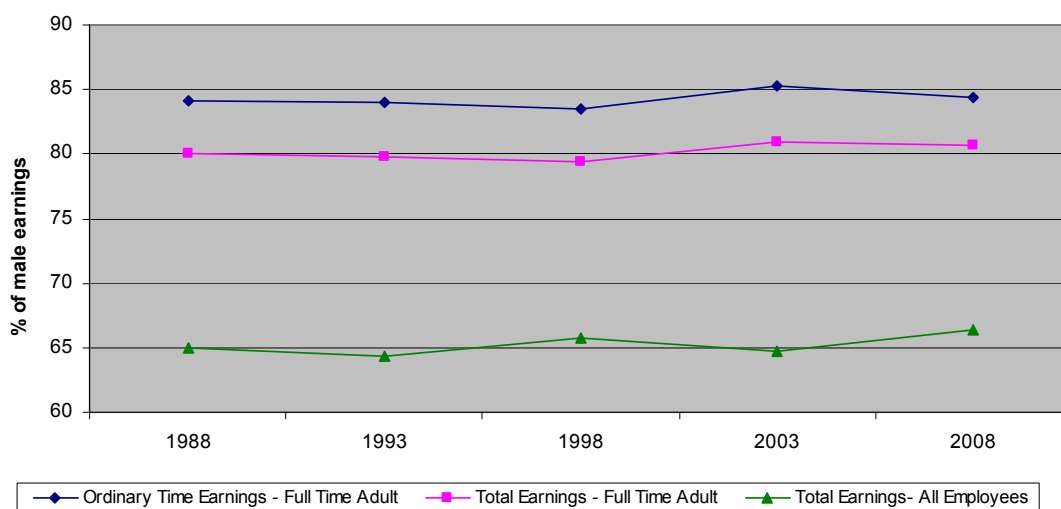
Women are more likely than men to have non-school qualifications, yet this does not translate into higher incomes. Men consistently record higher average earnings and higher hourly wages than their female counterparts.

Women are more likely than men to exit the labour force to engage in unpaid child care and domestic work, leaving them vulnerable to economic stress. Failure to accrue superannuation during working years presents serious ramifications for women's financial security and economic independence in retirement. Women's higher rate of participation in part time and casual labour also impacts on superannuation accumulation, and accordingly women consistently have lower superannuation balances than men.

Income

Examination of women's earnings, relative to those of their male counterparts highlights a substantial pay gap and suggests that based on income, women tend to be less financially secure than men. This gap between male and female pay exists consistently across industries, and for full time, part time and casual employment. As depicted in Figure 5.1, women's average weekly earnings as a percentage of men's, have remained relatively stable over the past 20 years, indicating little progress towards closing the gender pay gap (refer Table 5.1 for earnings).¹

Figure 5.1
Females' average weekly earnings as a percentage of males' average weekly earnings, Queensland, 1988 to 2008



Source: Australian Bureau of Statistics, 2008, *Average Weekly Earnings Australia, August 2008*, 'Table 13C Average Weekly Earnings, Queensland (Dollars) - Original' data cube: Excel spreadsheet, Cat. no. 6302.0, viewed 30 January 2009, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6302.0Aug%202008?OpenDocument>

As shown in Table 5.1, in 2008 the average weekly total earnings for all working Queensland females was \$685.80, 33.7% less than earnings of Queensland males.²

Table 5.1
Average weekly earnings by gender, Queensland, 1988 to 2008

Year	Ordinary time earnings ^(a) (\$ - full time adult ^(b))		Total earnings ^(c) (\$) - full time adult ^(b)		Total earnings (\$) - all employees ^(d)	
	Male	Female	Male	Female	Male	Female
1988	473.10	398.10	507.50	406.40	463.60	301.10
1993	606.80	509.40	652.00	520.60	590.20	379.50
1998	738.20	616.00	791.60	628.70	699.40	460.20
2003	899.50	766.90	964.20	779.90	800.30	518.20
2008	1,157.30	976.10	1,231.70	993.60	1,033.80	685.80

- (a) Earnings for award, standard or agreed hours of work (see Glossary for full definition).
 (b) Employees aged 21 years or over, or those aged under 21 years, who are paid at an adult wage and who work 35 hours or more per week.
 (c) Ordinary time earnings plus weekly overtime earnings.
 (d) All wage and salary earners.

Source: Australian Bureau of Statistics, 2008, *Average Weekly Earnings Australia, August 2008*, 'Table 13C Average Weekly Earnings, Queensland (Dollars) - Original', data cube: Excel spreadsheet, Cat. no. 6302.0, viewed 30 January 2009, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6302.0Aug%202008?OpenDocument>

One factor contributing to this variance is the higher proportion of women compared to men who are employed on a part time basis. In 2008, women comprised 73.9% of Queensland's part time workforce. Additionally, close to half (44.9%) of Queensland women employed in 2008 worked part time, compared with only 13.4% of male employees.³ Similarly, women are more likely than men to be in casual employment which tends to yield a lower average weekly income compared to full time employment, with the majority of casual employees working less hours per week than a full time employee.⁴

Not only are women more likely than men to work on a part time or casual basis, but men are also more likely than women to work overtime hours, and obtain associated financial benefits. In 2006, 19.9% of Australian working males reported that they usually worked paid extra hours or overtime, compared to 11.2% of Australian working women.⁵

Although type of employment and overtime payments are likely to affect the pay gap evident in the average weekly total earnings of male and female employees, these factors alone do not account for all variance. Calculation of the average weekly ordinary time earnings of full time adults allows for the removal of these factors, however, comparison of average weekly ordinary time earnings of full time adults still reveals a gender pay gap with women earning \$181.20 per week less than their male counterparts (see Table 5.1). Similarly, a comparison of

hourly wages for Queensland full time adults reveals the average hourly wage for women in 2006 as being 87.0% of that for men.⁶

The gender segregation found within certain industries has also been recognised as contributing to the gap in the average earnings of males and females. National statistics reveal that male-dominated industries tend to attract a high average weekly income. Conversely, those industries in which positions are heavily populated by women tend to have a lower average weekly income. For example, in 2008, the average total weekly earnings for persons employed in the mining industry in Australia was estimated at \$1,962.00.⁷ However, at this time women comprised only 15.2% of all mining industry employees.⁸ In contrast, industries characterised by lower total average weekly earnings such as education (\$889.80 per week) and community services (\$781.50 per week) were populated with a higher proportion of female employees, with females constituting 70.3 % and 80.0% of employees respectively (see Chapter 4 – Work).^{9,10}

Women's financial security is also influenced by levels of workforce participation over time, with participation data highlighting that Queensland women's careers are more likely to be interrupted than those of their male counterparts. Figure 4.1, in Chapter 4 – Work, highlights a clear drop in female workforce participation around the 25-34 years age group. A disproportionate difference between male and female participation is also apparent in the 35-44 age group.¹¹

Data from the 2006 Census reveals that of those Queenslanders aged 25-44 years who provided details of their labour force participation, 5.4% of Queensland males who provided unpaid care to their child/children in the two weeks prior to the Census were not in the labour force. In contrast, 33.3% of females in this age range, who provided unpaid childcare to their child/children reported that they were not in the labour force.¹² Additionally, of those Queensland males aged 25-44 years, who performed at least 30 hours per week of unpaid domestic work, 18.3% (4,417) were not in the labour force, compared with 58.7% (67,751) of women. These figures suggest females in this age range who are not in the labour force are more likely than their male counterparts to be caring for children and performing unpaid domestic work.¹³

This trend for women's participation in the labour force to be interrupted between 25 and 44 years has the potential to negatively impact on women's financial security in two ways. Firstly, there is a clear correlation between interruptions to paid employment and reduced career and wage progression.¹⁴ Compared to their male and female counterparts who remain in employment, women who exit the labour force for a period of time may experience disrupted skill acquisition, fewer training opportunities, skill depreciation and reduced work experience, all of which reduce promotional opportunities.

Secondly, interruptions to participation significantly impact on the accumulation and growth of superannuation over time. Failure to accrue superannuation during career breaks has a long-term effect on women's financial security, in retirement, as a lack of superannuation contributions (especially at a young age) inevitably reduces the amount of compound interest earned on superannuation savings.

Additionally, available statistics highlight that women at all ages are much more likely than men to be engaged in the unpaid care of elderly relatives, people with disabilities or sick people, often at the cost of paid employment (see Chapter 7 –

Carers).¹⁵ Many of these women are not only reliant on government benefits as a source of income, but also fail to accrue and accumulate superannuation.

Poverty

Although difficult to clearly define, poverty is generally considered to describe living conditions which are below a standard generally accepted by the community and which, in turn, restrict a person's ability to participate fully as a member of the community. Income is the most reliable measure of poverty as it is intrinsic to both living standards and community participation. Despite general consensus around use of income to measure poverty, there is some debate on what dollar amount constitutes the 'poverty line'.

Research and analyses conducted by the National Centre for Social and Economic Modelling (NATSEM) on national poverty rates^a reveal that Queensland has the second lowest state poverty rate, with an estimated 10.1% of Queensland's population reported to be living in poverty.¹⁶

Table 5.2
State poverty rates^(a), 2005-06

State	% of state population living in poverty
NSW	11.2%
VIC	11.3%
QLD	10.1%
SA	11.8%
WA	9.1%
TAS	12.9%
Australia	10.8%

^(a)NATSEM poverty figures are based on the 2005-06 ABS Survey of Income and Housing and the poverty line is considered to be half the median modified, OECD equivalent, disposable household income.

Source: National Centre for Social and Economic Modelling (NATSEM) University of Canberra, 2009, unpublished data.

NATSEM research also indicates that Queensland's remote areas tend to have higher poverty rates than urban areas and accordingly, rates of poverty in Queensland were higher for those persons living outside of Brisbane. Nationally, it is estimated that 12.0% of women and 9.7% of men aged over 15 years, live in poverty.¹⁷

Poverty and inequality are undeniably linked. Often the most vulnerable people in society are most at risk of poverty. A major Federal Government inquiry into poverty in Australia conducted in 2004, found those groups most at risk of living in poverty included: Indigenous Australians; people who are unemployed; people dependent on government cash benefits; sole parent families and their children; families with three or more children; people earning low wages; people with disabilities or those experiencing a long-term illness; aged people, especially

^a NATSEM poverty figures are based on the 2005-06 ABS Survey of Income and Housing and the poverty line is considered to be half the median modified, OECD equivalent, disposable household income. NATSEM uses household income to measure poverty as this is currently considered a better representation of living standards than income unit income.

those renting privately; young people, especially in low income households; single people on low incomes; people who are homeless; and migrants and refugees.¹⁸

The demographic profile of females living in Queensland (see Chapter 1 – Demographics) suggests that many Queensland women fall into a number of these at-risk groups. Specifically, in 2007 Queensland had the second highest proportion of sole parent families (23.1%) of all states and territories after South Australia.¹⁹ Additionally, the majority of sole parent families are headed by women (see Chapter 1 – Demographics). Consistent with the findings of the Federal Government Inquiry, recent research indicates that nationally, 19.1% of sole parent families live in poverty (see Table 5.3).²⁰

Table 5.3
Percentage of population living in poverty by family type, Australia, 2005-06

Family type	% of population living in poverty
Couples without dependent children	8.4%
Couples with dependent children	7.0%
Sole parent families	19.1%
Lone person	32.7%

Source: Payne, A., 2009, *Working poor in Australia: An analysis of poverty among households in which a member is employed*, Family Matters, 81, pp 15-24.

Lone mothers' risk of poverty is further compounded by the fact that lone mothers are less likely to be in the labour force, and more likely to be unemployed, than both their partnered counterparts and lone fathers (see Table 5.4). Further, many lone mothers are reliant on government payments as a source of income. Centrelink reported that in 2008, women accounted for 93.9% of the 78,828 Queenslanders receiving the Parenting Payment Single.²¹

Table 5.4
Labour force status of parents of children under 15 years, Australia, 2006

Parent type	In labour force				Not in labour force (%)
	Employed full time (%)	Employed part time (%)	Unemployed (%)	Total (%)	
Lone parents	23.0	29.4	9.4	61.8	38.2
Lone mother	19.2	31.7	9.3	60.2	39.8
Lone father	47.5	14.8	10.4	72.1	27.9
Partnered mother	24.4	39.0	2.6	66.2	33.9
Partnered father	85.3	5.9	2.4	93.6	6.4

Source: Australian Bureau of Statistics, 2006, *Labour force, Australia: Labour force and other characteristics of families – electronic delivery*, Cat. no. 6224.0.55.001, viewed 29 January 2009, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6224.0.55.001jun%202006?OpenDocument>

In addition to the high proportion of one parent families in Queensland, in 2005, Queensland recorded the second highest rate of disability support pensioners in

the country. This highlights the potential number of Queenslanders with a disability who are at an increased risk of poverty.²² Centrelink data indicates that of the 712,000 Australians who received a Disability Support Pension in 2006, 40.6% were female.²³

Women are more likely than men to experience domestic violence, a factor which heightens women's risk of poverty (see Chapter 9 – Crime and Justice). As discussed in Chapter 6 – Housing, a correlation exists between domestic violence and homelessness. Homelessness in turn heightens the risk of poverty.

Poverty can also be linked to pay equity and trends in women's employment, as discussed above. While it was once the case that paid employment was insurance against poverty, Australia now has a growing number of 'working poor'. The interaction between the welfare and tax systems means that when a low income recipient on welfare payments earns additional money, they may lose a percentage of the extra income by way of increased tax and reduced benefit payments. Further, growth in low paid part time and casual employment has contributed to the growing numbers of Australians who fall into this 'working poor' category. The exact number of working poor is dependent on the definition of 'poor' in this context, but recent research suggests that in Australia, approximately 2.7% of persons living in working households (where at least one household member is in paid employment) experience poverty^{b, 24}.

Income poverty is correlated with another broad, multidimensional measure of disadvantage: social exclusion. Social exclusion occurs when people 'suffer from a series of problems such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime, ill health and family breakdown',²⁵ and is generally accepted as occurring when more than one of these problems is present at once.

Social exclusion amongst mothers is of particular concern as both poverty and social exclusion have harmful effects on children, including flow-on effects of parental stress over money problems and limited developmental opportunities due to restricted resources. International research has repeatedly shown that poverty at any time during early childhood is detrimental to social and educational outcomes and without effective intervention, poverty can become intergenerational.²⁶

Income support

In 2008 Centrelink distributed approximately \$70.5 billion in social security payments throughout Australia.²⁷ Centrelink records suggest that Queensland females are more likely than males to be the recipients of government pensions, benefits and allowances. Table 5.5 provides details of those types of payments that were received by more than 10,000 Queenslanders. As such, it does not provide a comprehensive summary of all types of Centrelink benefits, pensions and allowances received by Queensland residents.

Also, it should be noted that the Family Tax Benefit (Part A and Part B) is widely received throughout Queensland, with Centrelink reporting that this benefit is provided to approximately 80-85% of all Australian families with dependent children. Given that this benefit is distributed to a cross section of the population, it should be viewed differently to other Centrelink payments.

^b Where the poverty line is considered to be half the median modified, OECD equivalent, disposable household income.

Specifically, while other income support payment data can identify segments of the population considered to be disadvantaged, the Family Tax Benefit does not do this. On this basis, Family Tax Benefit data has been excluded from Table 5.5.²⁸

Table 5.5
Selected Centrelink allowance, benefit and pension recipients by age, by gender, Queensland, 2007-08

	0-24 Years		25-34 Years		35-44 Years		45-54 Years		55-64 Years		65+ Years		Total ^(a)		%	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	Female	
Allowance																
Carer	296 ^(c)	885 ^(c)	824	6,678	2,268	15,144	3,169	12,423	4,182	13,604	7,936	12,200	18,675	60,934	76.5	
Mobility	1,335	936	1,075	909	1,090	892	1,080	882	800	595	299	174	5,679	4,388	43.6	
Newstart ^(d)	5,831	3,982	12,280	5,780	9,514	6,734	6,653	7,390	7,844	5,946	N/A	N/A	42,122	29,832	41.5	
Youth - F/T student	16,013	21,391	476	565	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16,489	21,956	57.1	
Youth - other ^(d)	5,962	6,700	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5,962	6,700	52.9	
Pension																
Age	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19,001 ^(b)	145,285	179,157	145,285	198,158	57.7	
Disability support	5,763	3,756	8,384	5,744	13,454	8,925	20,153	15,880	32,250	21,163	809	239	80,813	55,707	40.8	
Payment																
Parenting - partnered	120	4,108	773	8,641	868	6,455	343	1,629	100	198	<20 ^(e)	<20 ^(e)	2,204	21,031	90.5	
Parenting - single	296	12,491	1,337	26,684	1,895	25,449	1,023	8,721	231	701	<20 ^(e)	<20 ^(e)	4,782	74,046	93.9	

^(a) Total excludes those amounts recorded as being <20 recipients

^(b) The age that women are eligible for the Aged Pension operates on a sliding scale respective to their year of birth. For example, those women born in 1935 are eligible to claim the aged pension at age 60 while women born in 1949 or after are unable to claim the aged pension until age 65. Eventually both men and women will qualify for the Aged Pension at 65 years.

^(c) Total number of receipts may be greater as Centrelink data noted that there were <20 recipients aged 0-15. For the purposes of this table these recipients have not been included in the number of recipients aged 0-24

^(d) Youth Allowance - other is only provided to eligible persons aged 15-20 years, while Newstart Allowance is only provided to those eligible persons aged 21-64 years.

^(e) To protect client privacy and confidentiality, Centrelink has provided the number of recipients as being <20, for those cells which contained a value of less than 20, including zero.

Note: This information represents the current population at a point in time; it does not represent total eligible population for the entire financial year.

Source: Centrelink, 2008, *Queensland: Selected Allowances, Benefits and Pensions by Customer Age and Sex 2007-08*, unpublished data.

In 2008, women were particularly overrepresented as recipients of Parenting Payment Single (93.9%), indicative of the higher number of female sole parents, and the Parenting Payment Partnered (90.5%) reflecting the likelihood that women leave the workforce to care for children (see Chapter 4 – Work). Also, more women than men received the Age Pension (57.7%) in 2007, reflective of both women's receipt of this pension at a younger age than men, and their greater longevity (see Chapter 1 – Demographics). The disproportionate number of female carers reliant on government financial support is also evident, with women accounting for 76.5% of all Carer Allowance recipients and 69.7% of Carer Payments recipients in 2008 (see Chapter 7 – Carers). Conversely, more men (59.2%) than women (40.8%) received the Disability Support Pension.²⁹

Debt

Annual data released by the Insolvency and Trustee Service Australia indicate that Queensland men are more likely than women to experience personal insolvency. In 2007-08, women made up 44.4% of the 5,722 people declared bankrupt in Queensland. They also accounted for 48.6% (801) of debt agreements and 29.2% (14) of personal insolvency agreements made during this period.³⁰

Nation-wide, the most common reasons cited by bankrupts and debtors for personal (non-business related) insolvency were unemployment and excessive use of credit. Economic conditions and lack of business ability were the most likely causes of business related personal insolvency in 2007-08.³¹

A national survey commissioned by the Financial Literacy Foundation in 2006 found that a slightly greater proportion of male respondents (57.1%) reported having a loan (including mortgages, car loans, investment loans and lines of credit) than did female respondents (55.0%). Similarly, 73.2% of male respondents reported having a credit card, compared with 70.9% of all female respondents. However, male respondents (80.5%) were more likely than female respondents (77.2%) to feel comfortable with their level of debt. Male respondents (78.5%) were also slightly more likely to report paying the total balance owing on their credit card when it was due, compared with females respondents (73.9%).³²

Investments and savings

The 2006 Financial Literacy Survey detailed above, also questioned respondents around their savings and investments. Survey results indicated that 72.8% of all female respondents reported having a savings account compared with 71.4% of male respondents. Of those surveyed, 52.6% of all females and 43.5% of males stated that they regularly budgeted for day to day expenses. A total of 63.9% of female respondents either owned or were paying off the house they lived in, compared with 60.2% of all male respondents. Despite these trends, female respondents (77.0%) were less likely than their male counterparts (81.8%) to agree with the statement 'I could get by for some time in case of a financial emergency (such as an illness, divorce)'.³³

Survey responses also indicated that females were less likely than males to have investments (other than home ownership), and were less likely to take risks with their investments. Twenty per cent of male respondents reported they owned or were currently paying off an investment property, compared with 16.1% of female respondents. Similarly a greater proportion of male respondents (49.2%) had other investments (such as shares, bonds, managed funds, debentures and unit trusts) than did female respondents (42.9%). Females surveyed (62.8%) were less likely than males (74.8%) to agree with the statement 'I have the ability and understanding to invest money' and more likely (67.2%) than male respondents (63.3%) to view the risks and returns associated with an investment as unpredictable.³⁴

Not surprisingly, the survey also revealed that the greater a women's household income, the more likely she was to understand/have investments and to confidently manage debt and financial emergency. Similarly, age also influenced responses, with younger female respondents less likely to own and understand

investments, and more likely to lack confidence in management of debt and financial emergencies.³⁵

In 2006 the Australian Securities Exchange conducted research into Australian share ownership. Findings revealed that Australian men (40%) were slightly more likely to hold direct shares (shares owned directly and not part of a managed fund) than women (37%). The study also found that Queenslanders were the least likely of any Australian residents to be direct share market investors. While direct share ownership in most other states (excluding territories) is about 40%, in Queensland only 32% of people were direct share owners.³⁶

Australians with tertiary qualifications are more likely to have direct share ownership. In 2006, 42% of degree qualified Australians and 50% of Australians with postgraduate qualifications had direct investments. Share ownership also increases with household income. Fifty-five percent of households with an income of at least \$100,000 were found to have direct share ownership. This compares with 35% of households in the \$50,000-\$70,000 income bracket.³⁷

Stock exchange research into different investor attitudes and behaviours found that 13% of the population identified as 'confident investors', who managed their own investments, and were comfortable doing so. Those confident investors were most likely to be men with household incomes of at least \$100,000. Eight percent of the population were found to be 'uninvolved investors', who relied heavily on expert financial advice and direction to make investment decisions. This 'uninvolved investors' category comprised mostly older women.³⁸

Retirement and superannuation

In line with men's higher and more consistent rate of labour force participation (detailed above under 'Income'), available statistics affirm that at all ages men are not only more likely than women to have a superannuation account, but also to record higher superannuation balances than their female counterparts.³⁹ The gendered differences in superannuation accumulation have serious ramifications for women's financial security in retirement.

Table 5.6 highlights that between 2000 and 2007, the proportion of Queenslanders who had a superannuation account^c increased across all age groups. The increases recorded between 2000 and 2007 in the percentage of females with superannuation accounts were greater than those for males, except in the 65-69 year age group. However, at all ages, Queensland men were more likely than their female counterparts to have superannuation coverage. In 2007, women aged 65-69 years and 70 years and older were the group most likely to have no superannuation coverage.⁴⁰

For women, the most noticeable change in superannuation trends between 2000 and 2007 occurred in the 65-69 year age group, where in 2000 85.5% of women had no superannuation coverage compared with 61.8% in 2007. Increases in superannuation coverage across all age groups reflects a positive trend whereby women who enter and move through the workforce are increasingly likely to have superannuation as a source of income in retirement.⁴¹

^c Relates to those superannuation accounts in the accumulation phase and includes up to three superannuation accounts per person.

Table 5.6
Superannuation coverage by age by gender, Queensland, 2000 and 2007

Age Group	Gender	Has account/s in the accumulation phase (%)		Change (%)	No superannuation coverage (%)		Change (%)
		2000	2007		2000	2007	
15-24	Female	51.5	64.8	13.3	48.5	34.9	-13.6
	Male	57.7	65.7	8.0	42.3	34.3	-8
25-34	Female	75.3	86.1	10.8	24.3	13.5	-10.8
	Male	85.7	93.5	7.8	13.3	6.2	-7.1
35-44	Female	71.3	85.3	14.0	28.0	14.2	-13.8
	Male	84.4	90.7	6.3	15.1	8.9	-6.2
45-54	Female	71.1	83.0	11.9	27.5	17.0	-10.5
	Male	79.1	90.1	11.0	20.5	9.9	-10.6
55-64	Female	41.9	57.0	15.1	49.3	30.8	-18.5
	Male	60.5	74.3	13.8	31.7	16.0	-15.7
65-69	Female	2.5 ^(a)	14.9	12.4	85.5	61.8	-23.7
	Male	10.7 ^(b)	25.6	14.9	68.9	43.8	-25.1
70 +	Female	NA	1.5 ^(a)	-	NA	85.9	-
	Male	NA	6.7	-	NA	72.3	-

^(a) Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

^(b) Estimate has a relative standard error of 25-50% and should be used with caution.

Note: NA – Not available. Superannuation data was only collected for those persons aged 15-69 in 2000.

Source: Australian Bureau of Statistics, 2008, *Employment Arrangements, Retirement and Superannuation, Australia April to July 2007*, unpublished data.

Although women's superannuation coverage is improving, women's balances continue to be lower than men's. In 2007, the average superannuation account balance for Queensland males aged 15 and over was \$86,409 compared to \$58,950 for women. In comparison, the average balance for Australian males in 2007 was \$87,589 and \$52,272 for females.⁴²

Median values tend to be much lower than averages, which suggests that the presence of some high value superannuation balances may skew the average balance. The median superannuation account balance for Queensland women in 2007 was \$17,915, compared with the national median of \$18,489, while the median balance for Queensland men was \$28,482, compared with the national median of \$31,252.⁴³

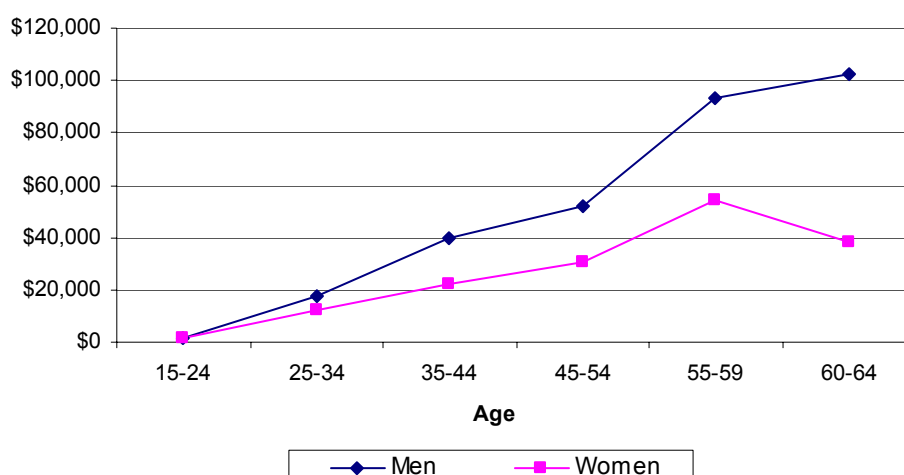
Nonetheless, there have been substantial improvements in women's superannuation balances in recent years. Australian Bureau of Statistics data suggests that between 2000 and 2007, average superannuation account balances increased by 58.4% for Queensland men and 109.9% for Queensland women.⁴⁴

Improvements in superannuation may be partially attributed to changes to the Federal Government's co-contribution scheme which was introduced in July 2003. As the co-contribution is proportionate to annual income, the lower earnings of women generally mean that should women contribute sufficient funds to receive

the government co-contribution, they will be more likely than men to benefit from the government's co-contribution scheme (with recipient eligibility capped at annual income more than \$60,342).⁴⁵ Research conducted by the Association of Superannuation Funds (ASFA) appears to support this, with 2007 figures showing 22% of women and 14% of men taking advantage of the co-contribution scheme.⁴⁶

Figure 5.2 shows that the gap between men's and women's median superannuation balances increases with age. As previously discussed, interruptions to workforce participation between ages 25-44, and women's lower rates of full time workforce participation generally, are likely to play a large role in this. The noticeable drop in the median superannuation balance for women aged 60-64 years, may reflect generational differences in the level of women's workforce participation, and their eligibility for, and accrual of, superannuation.⁴⁷

Figure 5.2
Median superannuation balance by gender, by age, Queensland, 2007



Source: Australian Bureau of Statistics, 2008, *Employment Arrangements, Retirement and Superannuation, Australia April to July 2007*, unpublished data.

Average retirement payouts in 2006 were approximately \$136,000 for men and \$63,000 for women. Based on these figures, it is clear that many recent retirees, particularly women, will need to rely substantially on the Age Pension to fund their retirement. In 2007 ASFA estimated that retirement savings of over \$100,000 a year are needed to achieve a modest lifestyle and over \$260,000 per year is required for a comfortable lifestyle, assuming access to a full or part age pension.⁴⁸

Overall, Australian men held around 66% of total superannuation wealth in 2006. Despite the very large disparity between the superannuation wealth holdings of men and women, these figures represent a substantial improvement for women. In 2003-04, women's superannuation accounted for 30% of the total share, compared with 1994, when it accounted for just 23%.⁴⁹

In 2007, persons who were aged 45 years or over and had retired in the last 20 years were most likely to report government pensions and allowances as their principal source of income (see Table 5.7), with a slightly higher proportion of females (66.9%) than males (65.2%) reliant on government financial support. In

addition females (9.8%) were more likely than males (4.1%) to record a nil or negative income in their retirement.⁵⁰

Table 5.7
Principal source of income for those persons retired 0-20 years, aged 45 years and over, by gender, Australia, 2006

Principal source of income	Males (%)	Females (%)
Own unincorporated business income	0.5	0.7
Government pensions and allowances	65.2	66.9
Superannuation/annuity/allocated pension	15.0	7.2
Other income	11.6	12.1
Nil or negative income	4.1	9.8
Not determined	3.6	3.3

Source: Australian Bureau of Statistics, *Employment Arrangements, Retirement and Superannuation, Australia April to July 2007*, 'Table 15 Persons aged 45 years and over who have retired from the labour force, Principal source of personal income—by time since retirement and sex' data cube: Excel Spreadsheet, Cat. no. 6361.0, viewed 30 January 2009, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6361.0.55.004April%20To%20July%202007?OpenDocument>

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