

# Women's economic security

April 2021

The following outlines some of the ways women fare worse under our income support, superannuation and tax policy settings, and how job creation has favoured male-dominated industries at greater cost.

## Women were most affected by the loss of the Coronavirus Supplement

- Women formed the majority (56%) of the 2 million people affected by the Government's decision to replace the \$75-a-week Coronavirus Supplement with a \$25-a-week permanent increase.<sup>1</sup>
- More than 300,000 single parents, 95% of whom are women, are part of this group who lost \$50 a week.
- Before COVID-19, older women were the fastest growing group of people receiving unemployment payments.<sup>2</sup> This in part reflects social security cuts over the years that have prevented access to payments like Parenting Payment and the Age Pension, with women comprising the majority of people affected.

## Superannuation settings discriminate against women

- Women continue to have lower superannuation balances than men. In 2017-18, the average super balance at age 60-64 was \$279,000 for women and \$345,000 for men – a gap of 19 per cent.<sup>3</sup>
- In 2019, women were estimated to receive just 40 per cent of all superannuation tax concessions because of lower earnings, and the skewing of tax concessions to high earners, most of whom are men.

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<sup>1</sup> Department of Social Services (2020) <https://data.gov.au/data/dataset/dss-payment-demographic-data/resource/0429d083-d8d2-4fff-bc75-f9100e1723ad>

<sup>2</sup> Parliamentary Budget Office (2020) JobSeeker Payment: Understanding economic and policy trends affecting Commonwealth expenditure [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Publications/Research\\_reports/JobSeeker\\_Payment](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/JobSeeker_Payment) p. 17

<sup>3</sup> Treasury (2020) Retirement incomes review <https://treasury.gov.au/publication/p2020-100554> p.267

- As women are over-represented among low-income earners, super tax concessions for low paid workers should be increased, and cut for high earners to reduce the superannuation gap.

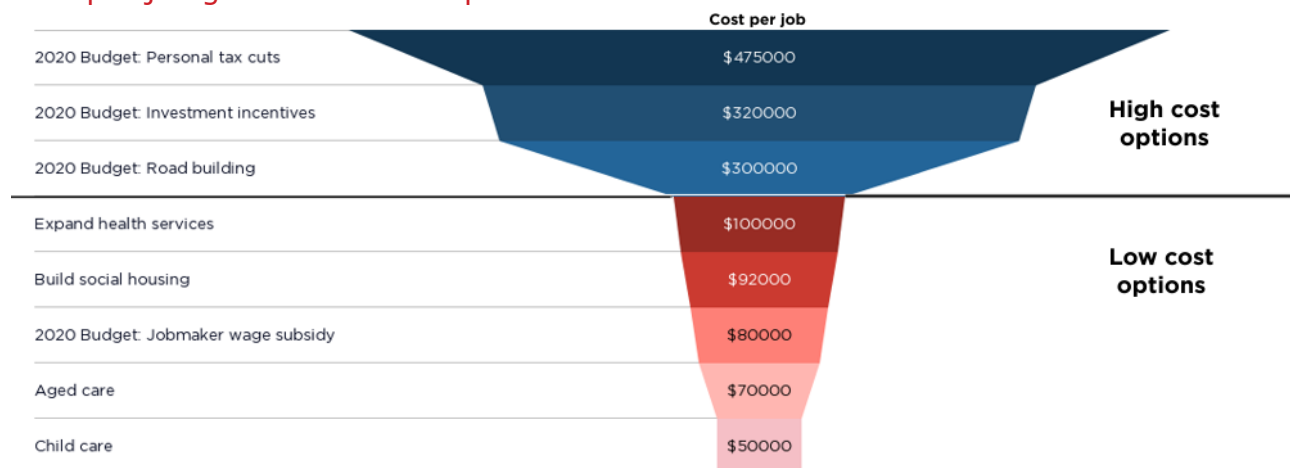
## Tax

- The planned tax cuts will exaggerate already large gaps in pay for men and women. Men will receive more than twice the tax cut women receive as part of the stages 2 & 3 tax cuts, receiving 70 per cent of the tax cut, with women receiving just 30 per cent.<sup>4</sup>
- Under the stage 3 tax cuts, the net taxes paid by women will fall by an average of \$637 per year, while men will enjoy an average reduction of almost five times that at \$2,989 per year.

## Job creation has typically favoured men, at greater cost

- Government investment in economic recovery has to date focused on male-dominated sectors like construction and roads. This is a very expensive way to generate jobs: a single job created in road building costs \$300,000, whereas jobs in women-dominated industries like aged and child care cost \$70,000 and \$50,000 respectively.

### Cost per job generated: a comparison



Note: Average cost (rounded) for each additional job created within the next two years.<sup>5</sup>

<sup>4</sup> Grundoff, M (2020) Early tax cuts as stimulus – gender analysis  
<https://australiainstitute.org.au/report/early-tax-cuts-as-stimulus-gender-analysis/>

<sup>5</sup> Sources: 2020 Budget papers; Grudnoff M (2020), Tax cuts or spending: What is the most effective stimulus? Australia Institute; SGC Economics (2020), Economic impacts of social housing investment; Australia Institute (2020); Deloitte Access Economics (2018), Analysis of the impact of raising benefit rates.