



Retirement Income Review Secretariat
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Submission into Retirement Income Review

Harmony Alliance is one of six National Women's Alliances funded by the Australian Government to promote the views of all Australian women, to ensure their voices are heard in decision-making processes. Harmony Alliance's purpose is to provide a national inclusive and informed voice on the multiplicity of issues impacting on experiences and outcomes of migrant and refugee women, and to enable opportunities for women from migrant and refugee backgrounds to directly engage in driving positive change. The Harmony Alliance membership comprises over 120 organisations and individuals representing and working for the advancement and inclusion of migrant and refugee women.

Migrant and refugee women have significantly lower income and superannuation levels as compared to migrant and refugee men as well as the wider Australian population. The highest median income for migrant taxpayer women sits at \$49,223 as compared to highest median income for migrant taxpayer men at \$78,840¹. According to an SBS report, 66 per cent of overseas-born women, with non-English speaking backgrounds aged 55 to 59, have a super balance of nil or less than \$50,000². This figure is drastically low when compared with Australia's average superannuation balances of \$270,710 for men and \$157,050 for women at the time of retirement (assumed to be age 60 to 64)³.

There are several factors that contribute to significantly lower retirement income levels for migrant and refugee women. They move to Australia at later stages of their life and may not be able to transfer their retirement savings from other countries depending on the retirement income systems of the respective countries. Even when they are able to transfer their retirement savings, the exchange rates and differences in living costs may mean that their previous savings are inadequate in the Australian context.

Migrant and refugee women have additional barriers in the early years of their settlement in Australia. They often have family and childcare responsibilities causing delays and breaks in their economic participation. Even when they are in the job market, they struggle to find employment due to various structural barriers—such as lack of recognition of overseas qualifications and experience—and entrenched bias. The unemployment rate for women who have migrated to Australia sits at 6.3 per cent compared with 5.4 per cent for all Australian women and migrant men, jumping to 6.7 per cent for women who speak a language other than English at home⁴. When employed, migrant and refugee women often work in lower paid jobs and precarious employment conditions⁵. They are often exploited by employers who use their

¹ ABS, 2019. *Personal Income of Migrants, Australia, 2016-17*.

² SBS, 2018. *Superannuation gap: are Australian migrants risking their retirements?* (<https://www.sbs.com.au/news/superannuation-gap-are-australian-migrants-risking-their-retirements>)

³ Clare, 2017. *Superannuation account balances by age and gender*. The Association of Superannuation Funds of Australia Limited (ASFA).

⁴ ABS 2016 Census, for people aged between 20 and 74 years old.

⁵ Data collated from the ABS 2016 census Migrants Dataset (Microdata) purchased from the ABS by Harmony Alliance



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MIGRANT & REFUGEE WOMEN FOR CHANGE

visa status and lack of local experience to make them work for cash-in-hand jobs, evading the mandatory superannuation contribution requirements.

Due to all these factors, migrant and refugee women end up with lower incomes, lower superannuation balances, and lower personal retirement savings. Furthermore, when they are dependent on their partners, their partners may not build any assets in their names, leaving them with no assets or wealth of their own. Older women who came to Australia as dependents are particularly vulnerable due to this. Many dependent migrant and refugee women also face extended waiting periods of up to 10 years in accessing Age Pension.

The retirement income review, therefore, must consider the multiple and compounded disadvantages and vulnerabilities faced by migrant and refugee women. We welcome the opportunity to contribute to the consultation on retirement income review and respond to some of the specific aspects raised by the consultation paper below:

The changing Australian landscape

The review committee should consider migration as a part of the changing Australian landscape. With a significant part of its population moving to Australia in later stages of their life, the future retirement income system should take into account the costs an ageing migrant population without adequate retirement income will pose for the country. The Australian Bureau of Statistics estimates that there are over 3 million overseas-born women in Australia⁶, making migrant and refugee women a significant and growing proportion of the Australian population. The future retirement income system should ensure the well-being of this cohort of population.

Adequacy

Adequate retirement income should be measured against a minimum income level in retirement, so that those who were on low incomes and/or had broken careers—including migrant and refugee women—are not left out and negatively impacted in their retirement.

Equity

The panel must consider vulnerable groups, including migrant and refugee women, who face structural barriers and inequities in finding employment and equitable wages, leading to lower retirement income and savings. As a specific equity measure, migrant and refugee women should be provided comprehensive, in-language, and culturally responsive information about Australia's retirement income system upon their arrival in Australia. More broadly, focus is required on community financial literacy across life-course.

Cohesion

In order to achieve cohesive outcomes across systems, further consideration should be given to the intersection of migration and social security systems and the impact it has on individuals in retirement. The retirement income system should incorporate mechanisms to develop financial literacy in collaboration with other departments of the government. In particular, the value of collaboration between migration and social security systems should be considered.

Contact Information:

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⁶ ABS, 2016. *Census of Population and Housing*.