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Putting a gender lens on Australia's retirement income system:
Ten Policy Principles for a fair, adequate and sustainable future



The Australian Centre for Gender Equality and Inclusion @ Work

Acknowledgement of Country

We acknowledge and pay respect to the Elders and communities - past, present, and emerging - of the lands that the University of Sydney's campuses stand on. For thousands of years they have shared and exchanged knowledges across innumerable generations for the benefit of all.

The Australian Centre for Gender Equality and Inclusion @ Work



Professor Rae Cooper AO
Centre Director
Professor of Gender, Work and Employment Relations



Professor Elizabeth Hill
Centre Deputy Director
Professor in Political Economy

The Australian Centre for Gender Equality and Inclusion @ Work, at The University of Sydney is Australia's leading research centre on women's workforce participation, careers and the intersection of work and care.

Advised by a panel of Australia's industry leaders, the Centre delivers research-informed insights into the drivers of gender inequality at work and develops evidence-based strategies for governments and industry to foster gender-equal workplaces for all Australians.

The following Ten Policy Principles are the outcome of a multidisciplinary research symposium, *Gender-based drivers of inequality in Australia's superannuation system*, hosted by The Australian Centre for Gender Equality and Inclusion at Work and held at the AIRAANZ 2026 Conference in Sydney, January 2026. Symposium presentations were delivered by leading scholars with expertise in women's labour market participation, economic security and the retirement income system, including First Nations scholars. The symposium was supported by Women in Super and a Hewett family grant, made in memory of Helen Hewett AM, co-founder of Women in Super. The Policy Principles form an official communique of the 2026 workshop.

Introduction

The Australian retirement income system enjoys international admiration, particularly with respect to its scale – total assets under management in superannuation reached $4.49 trillion in December 2025 – and sustainability – public spending on the Age Pension equals approximately 2.3 per cent of GDP, which is low by international standards.[2] At the same time critics point to problems in system fairness and adequacy, highlighting multiple ways in which the retirement income system exacerbates rather than moderates prevailing social and economic inequalities.

Because superannuation contributions are based on salaries and wages, labour market inequalities are directly reproduced during the accumulation stage, culminating in the unequal balances of women and men at retirement age. Some very limited mitigation is possible (for example through co-contributions for the low-paid) but largely outweighed by generous tax concessions on additional contributions and investment earnings. These concessions have allowed superannuation to be used by some primarily as a tax-minimisation vehicle for the purpose of wealth accumulation and intergenerational wealth transfer, as opposed to a mechanism to fund retirement consumption and wellbeing. These benefits have accrued disproportionately to men who are more likely than women to enjoy high earnings.

The Superannuation (Objective) Bill 2023[3] defines the purpose of superannuation 'to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way.' The Government has clarified that equitable refers to delivering 'similar outcomes to people in similar situations', and 'does not mean that all individuals will receive the same benefit from the system, nor can superannuation address every perceived inequity.' As a result, the Bill focuses exclusively on the rights of individual account holders and leaves patterns of intra- and inter-generational inequality affecting women, First Nations Australians, vulnerable people and the low-paid reflected in unequal outcomes in retirement. Government expects these issues to be addressed via policy action outside the superannuation system.

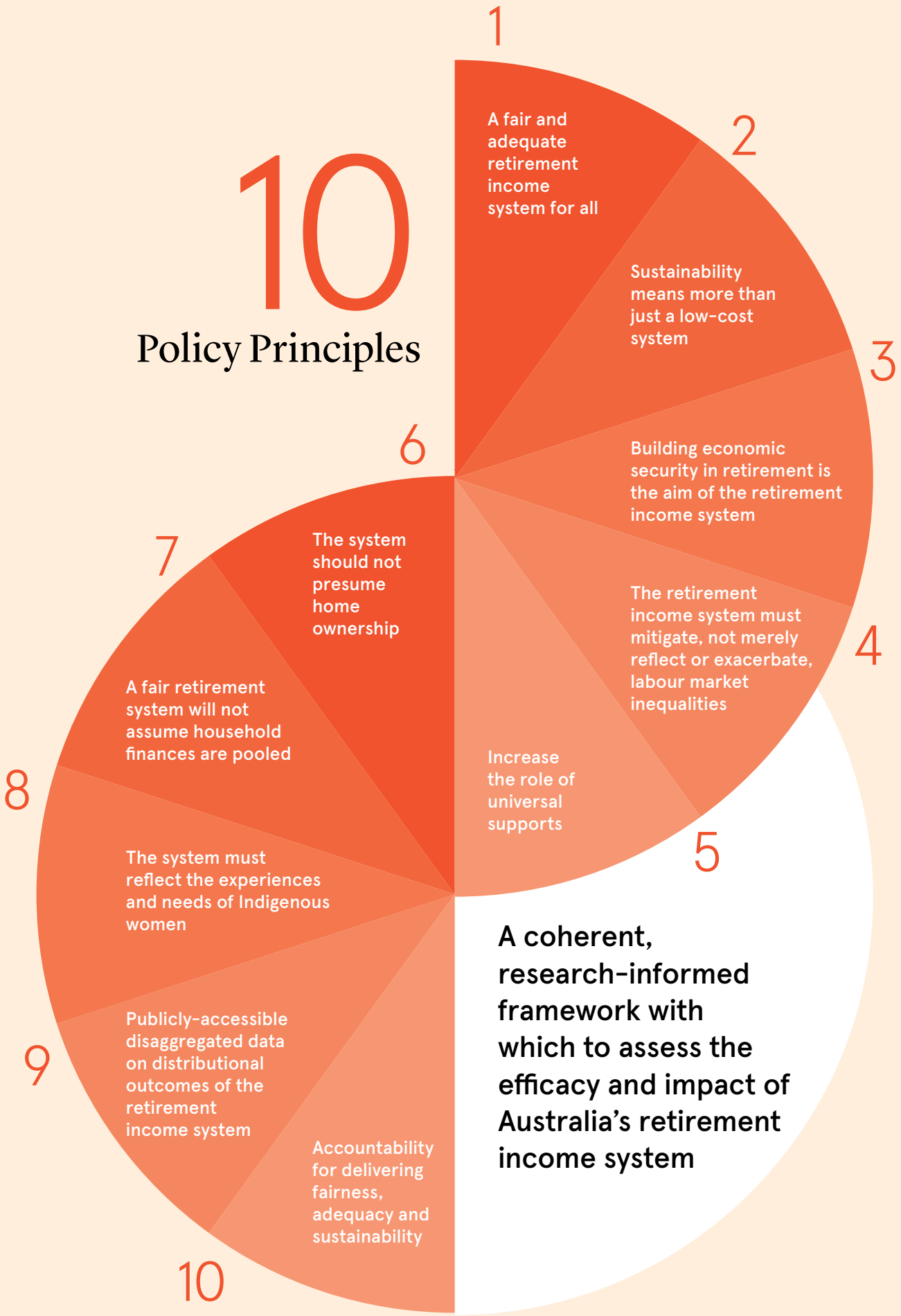
In addition, the retirement income system is built on a set of assumptions that are no longer fit for purpose, including (1) the presumption that retirees live as couples who own their own home, and (2) that women can rely on their partners' superannuation balances. However, many retirees are renters, and an increasing number of retirees are single women who have never partnered or are no longer partnered. The presumption that men will share their super with their partner is not reflected in the evidence.

Addressing the social and economic inequalities embedded within the retirement income system, of which superannuation is a key component, requires a new approach. For too long the key pillars of Australia's retirement income system – superannuation, the Age Pension, private savings and housing – have been treated as discreet policy issues divided between government departments and Ministerial responsibility. This fragmented approach to retirement income has not delivered the 'dignified retirement' that is the objective of the Superannuation Bill (2023), and instead left many women, low-income earners and first Nations Australians with inadequate superannuation and retirement income.

We propose a paradigm shift in planning Australia's retirement income system that embeds the values of fairness, adequacy and sustainability across the entire retirement income system, including superannuation, the Age Pension, private savings and housing. This systems approach would be fair, designed to mitigate inequalities; adequate, guaranteeing comfortable living standards for all; and sustainable, for the environment and for society as a whole.

Below we outline ten research-informed principles that reflect this paradigm shift and embed these core values across the retirement income system. The principles are designed to provide policy makers from government, industry and unions with a coherent framework with which to assess the efficacy and impact of Australia's retirement income system. An income retirement system that embodies these values will deliver wellbeing and prosperity for individuals, communities and the national economy.

10 Policy Principles



A coherent, research-informed framework with which to assess the efficacy and impact of Australia's retirement income system

1

A fair and adequate retirement income system for all

Australia's retirement income system must mitigate social inequalities and provide decent living standards for all. Delivering a fair and adequate system requires systems thinking and structural change.

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Different cohorts of Australians face entrenched disadvantages in the labour market, and more broadly. These include women, caregivers, renters, Indigenous Australians, migrants, survivors of domestic violence, and people living with disabilities. Labour market inequalities, driven for example by the undervaluation of feminised sectors like nursing and early childhood education and care, flow directly into retirement incomes, via superannuation, further compounding disadvantage. Typically, unequal superannuation outcomes are framed as individual behavioral issues, with interventions focused on supporting increased annual contributions or increased labour market participation. But social inequalities are the result of structural problems, including segmented labour markets, institutional racism, geographic disadvantage, poorly targeted taxation incentives, the persistence of the 'traditional' gender order, precarious work patterns, and asset inflation – all of which shape retirement income outcomes.

These structural problems need structural solutions. Design and delivery of a fair and adequate retirement income system will require fundamental change based on systems thinking that considers how superannuation, tax, housing and the Age Pension interact with one another to reinforce disadvantage and produce different outcomes for different cohorts. In this context, a fair retirement system must mean more than 'similar outcomes for people in similar situations.' Instead, it requires measures that actively mitigate social inequalities and ensure that the suite of policies that affect retirement incomes reduce rather than just reflect or exacerbate existing gender-based and other inequalities. Similarly, 'adequacy' does not just mean an individual has adequate income to avoid a drop in living standards when entering retirement, but that everyone has access to a decent living standard in retirement.

2

Sustainability means more than just a low-cost system

A sustainable system will promote sustainability for the environment, for society, for communities, for households and individuals. Sustainability means foregrounding the organisation and recognition of family, community and environmental care.

Retirement income sustainability is usually framed in terms of the level of government spending on retirement incomes (as a % of GDP), with mainstream commentators arguing that lower is better. The Australian system does well on this measure, but only if expenditure on tax concessions is ignored.[5] However, sustainability has a broader remit that includes explicit recognition of social and ecological reproduction. A sustainable retirement system will recognise the integral nature of all forms of care work to social reproduction and value it in system design. For example, a sustainable retirement income system will not discriminate between paid and unpaid work when both are 'productive' and contribute to national wellbeing. Current arrangements penalise unpaid care work, with those who do it (mostly women) suffering a high economic cost in retirement. A sustainable retirement system will also pay attention to ecological health and care for environmental assets.

Building a sustainable system will require a formal shift away from the overwhelming focus on the marketisation of living standards and GDP as the primary measure of national success, to an understanding of success and sustainability that reflects a comprehensive, everyday understanding of family, community and environmental wellbeing. Australians who spend time doing essential reproductive family, community and environmental care work outside/alongside paid employment must be acknowledged and their unpaid labour valued in the retirement income system. There are a range of established and more sophisticated frameworks than GDP, including the Human Development Index (1990), the OECD Better Life Index (2011) and Treasury's recent Measuring What Matters (2023), that have been designed to support evaluation and measurement of sustainable systems and outcomes. These can help define the parameters of a truly sustainable retirement income system.

A sustainable retirement income system will be supported by superannuation investment strategies that reflect strong environmental and labour standards that deliver good jobs for everyone (especially women), value the care economy and environmental assets, and support Australia's social and environmental infrastructure, while maintaining strong risk-adjusted returns for those in paid work.

3

Building economic security in retirement is the aim of the retirement income system

The system should not be used for wealth accumulation. Retirement income is intended to be preserved until retirement and spent on retirement living expenses. Superannuation balances are intended to be drawn down.

The tax treatment of superannuation has obscured its purpose and created opportunities for estate planning and family wealth management that reproduce intergenerational inequalities. This is unfair, takes the system beyond the principal of 'adequacy' and undermines public finances. It also drives inequalities, with the distribution of superannuation balances highly skewed. Most retirees have balances allowing 'modest' or 'below modest' lifestyles (where modest is defined as being able to afford the basics), with only one fifth of retirees able to afford what ASFA defines as a 'comfortable' living standard.[6] A small proportion of retirees have very large super balances (more than $5 million). The Treasury (2025)[7] has acknowledged that tax concessions to those on high incomes exceeds the support for those on low and middle incomes and that the bulk of tax concessions are accrued by men, who are overrepresented amongst very large account holders.

Tax justice is an important component of gender equality. Insofar as tax concessions outweigh public spending on the Age Pension, they pose an enormous cost to the federal budget and fail to maximize public good. Systems thinking across superannuation, tax and transfers is necessary, with a particular focus on reforming tax concessions noting that recent changes moderate, but do not fix this driver of inequality. A system that is better integrated with the Age Pension will also increase economic security for all, particularly those at the lower end of the income scale.

For superannuation to fund retirement living expenses, funds accrued throughout the working life must be protected until preservation age is reached. Early release schemes, which encourage access of superannuation to alleviate pressures on public services like healthcare and welfare payments, not only erode savings, but are a documented mechanism of economic abuse.[8]

4

The retirement income system must mitigate, not merely reflect or exacerbate, labour market inequalities

Australia's earnings-based superannuation model means that gendered labour market inequalities, and others, flow directly into retirement income outcomes.

A system based on defined contributions at a flat rate, as stipulated in the Superannuation Guarantee, means that labour market pay differentials are reproduced in superannuation balance differentials. Gender segmented labour markets, care-related career breaks, and the undervaluation of women's labour are key drivers of the gender pay gap and translate directly into retirement income gaps between women and men. Inequalities based on workplace racism and visa-based discrimination are also carried over into superannuation balances. These phenomena are reflected in evidence that part-time work, the undervaluation of feminised sectors and award-reliance explain superannuation balance gaps between men and women for all, except those with the largest balances.[9] The retirement income system needs to consider how award-reliant workers who miss out on higher EBA-negotiated contributions (higher than the Superannuation Guarantee), contribution gaps for part-time workers, and limited contributions from lower-paid female-dominated industries impact superannuation balances. It is not the purpose of retirement income policy to reform labour markets, however, the effect of labour market pay differentials on retirement incomes should not be reinforced and magnified by retirement income policy architecture.

There is increasing awareness that movement from the labour market into retirement is a transition (with stayers, blenders, leavers, disengaged).[10] A fair system will support people in this transition. Men are more effectively using transition to retirement schemes (TRIS) to reduce tax. In contrast, people who supplement the Age Pension with part time work are taxed at a very high effective marginal tax rate. Policies for fair outcomes should focus on prevention as opposed to late-career balance boosting.



The Age Pension is an effective way to reduce gender-based income differentials at retirement

5

Increase the role of universal supports

Ensure the adequacy of the Age Pension and other supports to ensure the economic security of all retirees, especially those who have provided unpaid family care.

The retirement income system puts the burden of systemic risk onto the individual. These risks include longevity risk (outliving savings), investment risk (market downturns), exchange rate risk, health risk (unexpected costs), political risk (changes in government policy), replacement risk (ability to maintain living standards), inflation risk (the cost-of-living outstripping savings growth) and the risk of malfeasance or incompetent fund management. Universal supports, such as the Age Pension and rent assistance, have the effect of socialising risk.

The Age Pension is an effective way to reduce gender-based income differentials at retirement. However, the Age Pension currently sits at around the poverty line and is generally considered inadequate to fund a comfortable standard of living. The retirement income system must be focused on the provision of decent living standards and less on consumption smoothing. To this end, the Age Pension must be boosted to sit well above the poverty line. Other important universal supports include public housing and Rent Assistance. Measures to socialise risk can be funded by progressive tax policy, including through more targeted and effective use of superannuation tax concessions. Information sharing between superannuation funds and government will support retirees to know what universal supports they may be eligible for and assist with access, improving income in retirement. This includes information on when individuals are likely to be eligible for the Age Pension.

6

The system should not presume home ownership

Everyone deserves to retire comfortably, regardless of whether they own their own home. Renters are particularly vulnerable to retirement poverty.

Retirees who are renters find it nearly impossible to meet the ASFA budget for a comfortable retirement. Indeed, the vast majority fail to even meet the benchmark for a 'modest' standard of living.[11] Of this cohort, a particularly vulnerable group are single retired women who rent, three quarters of whom live below the poverty line.[12] This issue is becoming increasingly urgent in Australia as rates of home ownership amongst retirees decline. Nevertheless, there is considerable evidence indicating that the Commonwealth Rent Assistance is not sufficient to cover rents in the private market. Good quality, public and community housing, affordable private housing and adequate support for those renting in the private market are necessary to ensure everyone has access to housing.



7

A fair retirement system will not assume household finances are pooled

It cannot be assumed that households are 'a glued together unit' or that household financial decisions are made democratically.

Over the last two decades women at retirement age are reporting increased levels of stress, with analysts attributing this to the heightened risk of poverty and homelessness.[13] Gender differences in superannuation balances contribute, in part, to this stress. Many Australian women do not have any superannuation savings: around one third of women reaching retirement age in Australia currently have no superannuation.[14] Amongst those who reach retirement with superannuation savings, the average super balance gap between men and women is about 25 per cent (it is shrinking, albeit slowly).[15] It cannot be assumed that women (when partnered) have access to their partners' superannuation and other financial assets. Households do not necessarily pool financial and other resources. The unequal ownership of superannuation assets in Australian households skews bargaining power and control over the use of household resources in men's favour and leaves many women vulnerable.[16] Everyone should be empowered to participate in decisions that affect their life in retirement, and vulnerable groups need improved rights to information on their partner's superannuation and improved capacity to participate in decisions that affect them. For partnered women, the Age Pension means test, based on the couple's income, also undermines the right of women to economic independence.

Economic abuse is a reality of many women's lives, and economic dependency on a partner means many women have little retirement income security. Current provisions for the early release of superannuation are a significant problem, enabling economic abuse.[17] A fair and adequate system must pivot away from the outdated male breadwinner model where eligibility for the Age Pension is based on household income and individualise assessment of the Age Pension, in line with tax arrangements. Recent changes to superannuation-splitting have been a positive development, recognizing that the administration of super-splitting made it very difficult for women to access their partner's super.

8

The system must reflect the experiences and needs of Indigenous women

First Nations women make valuable contributions in their communities and working lives, however they face compounding disadvantages in the labour market and retirement. First Nations women must be included in policy design and monitoring to ensure a fair and adequate retirement income system that meets Indigenous community needs.

Discrimination against First Nations workers was not legally prohibited until the introduction of the Racial Discrimination Act 1975 (Cth). The history of stolen wages directly affects current generations of First Nations Australians, who are largely excluded from intergenerational wealth transfers. This is exacerbated by the current pay gap for Indigenous people, particularly Indigenous women, and lower rates of participation in the housing market. Lower life expectancy alongside lower rates of employment and patterns of labour market participation amongst First Nations Australians contribute directly to retirement income differentials. First Nations Australians are overrepresented amongst low-wage workers, in industries that pay low wages like the community sector and experience the undervaluation of cultural skills in the workplace.

At retirement, the superannuation balances of Indigenous Australians are, on average, less than half that of non-Indigenous Australians.[18] First Nations women have particularly low superannuation balances at retirement, in part due to the responsibilities they carry for the care for children, people with disabilities, elderly family members, community and Country. This leaves them facing measurable disadvantage in retirement: they are less likely to have superannuation, have relatively low balances if they do have them, and are less likely to live to retirement age.[19] The estimated superannuation savings of Indigenous women are around one-third that of Indigenous men.[20]

A fair, adequate and sustainable retirement income system will account for the compounding disadvantages faced by First Nations women in retirement and provide opportunities for First Nations women and men to consult and codesign appropriate policy settings.



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9

Publicly-accessible disaggregated data on distributional outcomes of the retirement income system

Government, policy-makers, community members, civil society groups and academics need access to high-quality, systems-level data on retirement incomes to better understand the drivers of adequacy in retirement.

Regular, robust and reliable collection of relevant data plays an important role in monitoring the fairness, adequacy and sustainability of Australia's retirement income scheme. Currently, there is an absence of robust high-quality integrated systems-level data that includes the four pillars of superannuation, Age Pension, housing and private savings, and their interactions, that can be disaggregated by gender, race and ethnicity. Data on Indigenous retirement income is particularly poor.

High-quality data that reflects the distribution of total retirement income outcomes (via interaction between the four pillars) and captures intersectional experience will provide clarity on the adequacy of the system for different demographic groups and highlight which parts of the system generate inequality. This type of systems level data, disaggregated by demographic features, is essential to inform evidence-based policy that delivers a fair, adequate and sustainable system for all and performance against the principles developed here.

10

Accountability for delivering fairness, adequacy and sustainability

Accountability for delivering a fair, adequate and sustainable system is the responsibility of the federal government.

Reforms for systemic change to deliver a fair, adequate and sustainable retirement income system require a thorough consideration of the structures that generate gender inequality. Systems of regular accountability should be embedded into federal budget processes to ensure spending and revenue decisions advance gender equality through the retirement income system. This should include a commitment that relevant reforms to the retirement income system are measured against the ten principles outlined in this document.



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