

**GOVERNMENT POLICIES ON EMPLOYMENT AND
SUPERANNUATION:
CONTRADICTIONS AND CONSEQUENCES
FOR OLDER AUSTRALIANS**

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GOVERNMENT POLICIES ON EMPLOYMENT AND SUPERANNUATION: CONTRADICTIONS AND CONSEQUENCES FOR OLDER AUSTRALIANS

N. Vecchio & S. Jackson

Abstract:

Older women today are most likely to live on limited incomes and are more dependent on the age pension than men. This paper examines the Federal government's employment policies that have reduced older women's opportunities to save for retirement and the government's attempt in recent years to equalise women's economic status.

These policies also discouraged the participation of women in the paid workforce and confined them to low paid, part time, casual employment. Up until 1988 very few superannuation schemes allowed part time and casual workers to join or retain membership. As Superannuation Guarantee Charge is based on continuous paid work people in unpaid work, such as household chores and caring, are excluded. The principle of self-reliance as reflected in the Home and Community Care programme will further erode women's employment opportunities since it relies on unpaid carers, who are mostly women.

Recently the gender gap has narrowed owing to increased Federal funding for childcare, the equal pay case, affirmative action and the universal superannuation provisions that bridge broken work patterns. However these come too late for today's older women.

The past inequalities experienced by Australian women are now amplified during their retirement. Many older women today are the major recipients of the very institution that contributed to their lower economic status.

1 INTRODUCTION

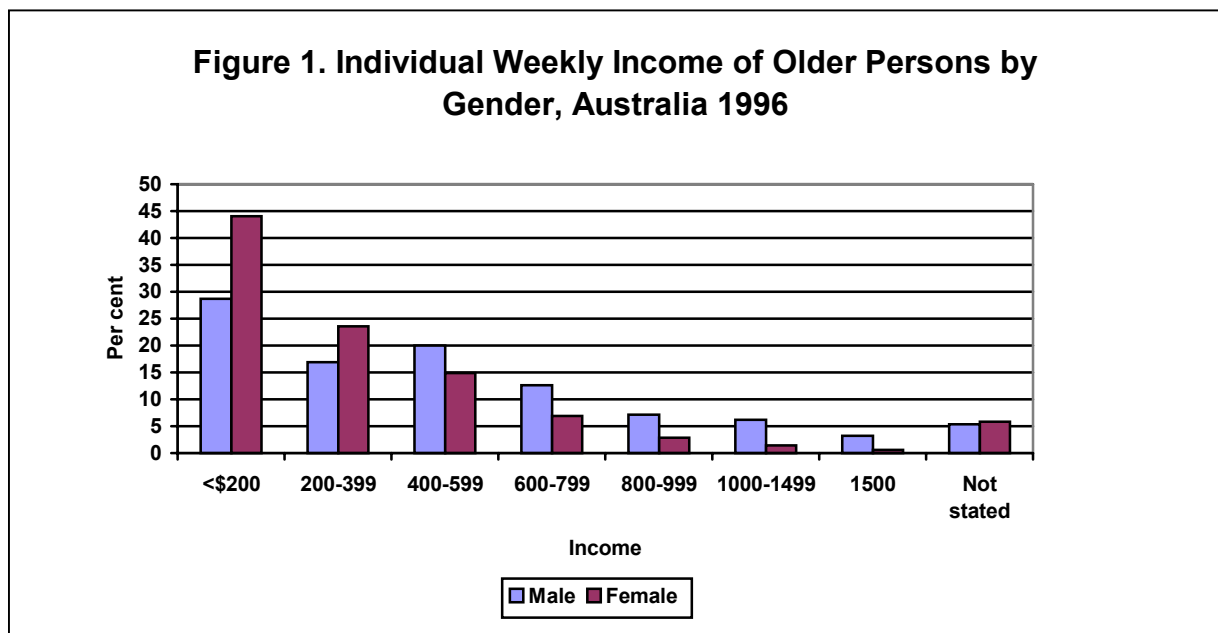
This paper focuses on the Australian government employment and income policies and legislation since the early twentieth century that contributed to the rise of disadvantaged subgroups mostly consisting of older women. As a result of government policies over the years, women have experienced different income and employment conditions compared with men. These inequalities in the labour market are carried forward (Orand 1996; Crystal and Shea 1990; Ozawa 1995; Gonyea 1994; Hurd 1990) and amplified during retirement (Crystal and Shea 1990; Arber and Ginn 1991; Lynott and Lynott 1996). Consequently older women today are the major economic recipients from the very institution that contributed to their lower economic status.

Recent government policies have attempted to correct past discriminatory legislation. Indeed, women became eligible for the age pension at age 60 years and men at age 65 years. Given women's greater life expectancy, on average, than men's, this implied a greater redistribution of public expenditure towards older women¹. This, in part, offset other government policies that limited women's opportunities to save for retirement. Since 1996, however, the pensionable age for women is being gradually raised. By 2013 the eligible age for both men and women will be 65 years (Centrelink 2001).

The gender gap has narrowed owing to increased Federal funding for childcare, the equal pay case, affirmative action and the universal superannuation provisions that bridge broken work patterns. Yet policy makers and social economists need to recognise that these reforms have come too late for the older women of today.

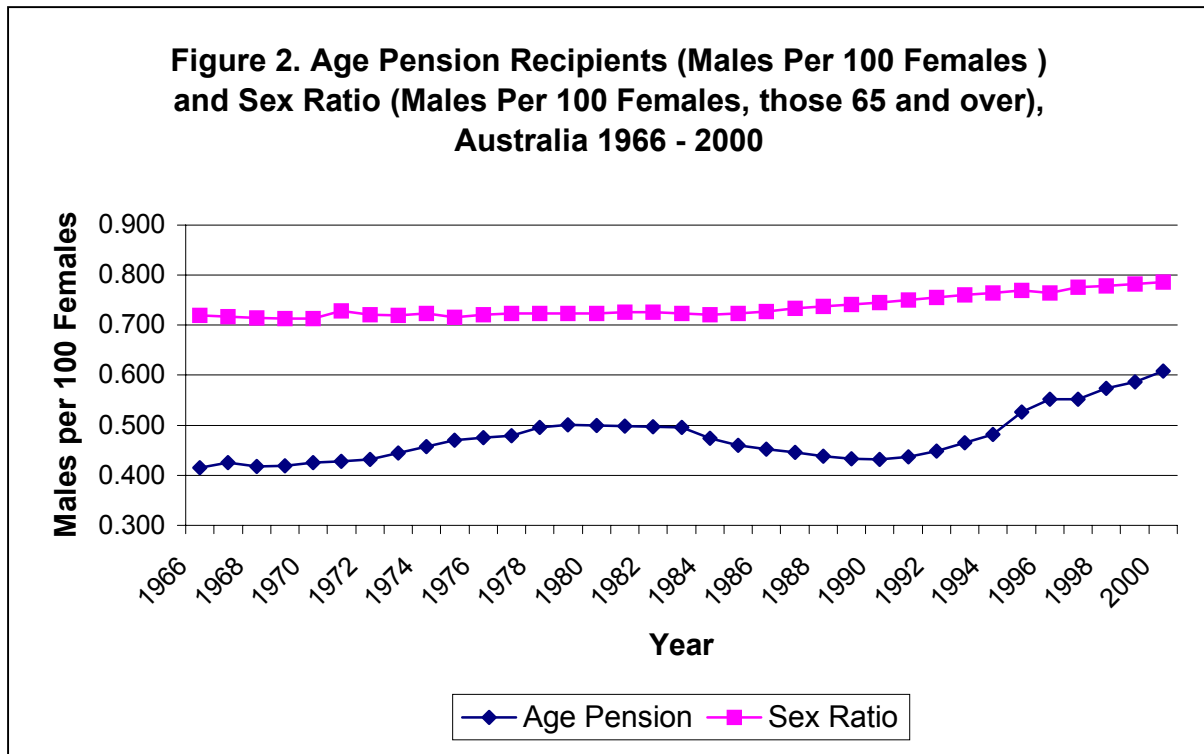
¹ Women's greater life expectancy means that the net present worth of women's age pension is higher than that of men.

Existing studies confirm that older women are most likely to live on limited incomes and are more dependent on the age pension than older men (Markson 1994; ABS 1994; World Bank 1994; McFee and Bray 1995; OWN 1995). In 1996, the majority of older Australian females (68%) received an income of less than \$400 per week compared to 46% of older Australian males (Figure 1). Older women's limited superannuation cover during retirement provides further evidence of their poorer financial status (McGarry 1995; OWN 1995; McFee and Bray 1995; ABS 1998; Dennerstein, et al 1998). For women aged 45 and over, who retired from full time work, only 7% received a private pension/annuity in 1997, compared with 16% of their male counterparts (ABS 1997 Cat. No.6238.0).



Source: Calculated from ABS (1998) unpublished data of those residing in occupied private dwellings.

Between 1966 and 2000 the percentage of men to women dependent on the age pension has increased from 41% to 61% (Figure 2). Greater life expectancy among women partly explains the greater number receiving the aged pension, with the male/female sex ratio between 0.72:1 to 0.79:1 since 1966. However an influential factor of women's greater reliance on the aged pension is the past differential treatment of men and women by government policies dating back to the early 20th century.



Source: Calculated from ABS 1997 Cat No. 4124.0; Yearbook Australia 1966-2001 Cat. No. 1301.0 p.257; ABS 2000 Cat No. 4109.0 p3, p.6; ABS 2000 Cat No. 3101.0 p19.

An investigation of the Australian government policies and legislation that have impacted on older people's economic status by this study is, therefore, most timely for understanding the economic circumstances facing them today.

Section 2 of this paper highlights the literature on the wealth inequalities between older men and women. This is followed by the conceptual framework in Section 3. Section 4 examines the Australian government policies since the early 20th century that have contributed towards older women's poorer economic status compared with older men. The conclusions of this paper are presented in section 5.

2 THE FEMINISATION OF POVERTY

Evidence in the existing literature conclusively proves that older women are poorer than older men. The term “feminization of poverty” coined by Pierce (1978) drew attention to the growing number of women among the long-term poor population (cited in Gonyea 1994). This notion was later extended to the older women (Minkler and Stone 1985; Older Women’s League 1986). Researchers cast gender as an important social category that stems from social structure and cultural values well beyond the control of individuals (Stroller 1993 cited in Feldman 1995). Gender inequalities are believed to result from the different treatment of women compared with men institutionalised in the labour market and domestic ideology (Dressel 1988; Minkler and Stone 1985; Older Womens Network 1992) and reinforced by custom and tradition (Hoskins 1992 cited in Feldman 1995).

Feminist researchers embrace the life span perspective (Gonyea 1994; Browne 1998; Chaudhury and Leonesio 1997; Lynott and Lynott 1996; Olson 1990) acknowledging that the relationship between economic and domestic experiences in life are different for men and women (Feinson 1985). Lifetime patterns of work and family responsibilities are linked directly to retirement income because the retirement income reflects past patterns and rates of pay. Consequently women enter old age with less self-earned resources than men (Holden 1989; Arber and Ginn 1991; Ozawa 1995; Gonyea 1994; Crystal and Shea 1990).

3 EXPLAINING GENDER DIFFERENCES IN WEALTH

Institutional economics can offer a satisfactory explanation for the differential treatment experienced by men and women in the labour market during older people's life span. Institutionalists maintain that economics is related to the social and historical periods and emphasise the importance of habit, custom and collective behaviour. According to Commons (1934), institutions, such as the government, influence the conditions of social and economic behaviour by institutionalising customary practice through legislation.

In Australia political influence on legislation and corporate behaviour plus the weakness of trade unions among female workers, had allowed discrimination to occur from the early twentieth century. Reflecting the attitudes of society these discriminatory legislations suppressed the equalising forces of the competitive market to comply with the culture of the day. Thus government policy became an instrument of discrimination (Bellante and Jackson 1983) as evident from the historically different school curricular for boys and girls, gender segregation in public services and the legislated wage differentials (Bellante and Jackson 1983).

Elements of the institutionalist theory of racial discrimination based on Commons and later advanced by Marshall (1974) are applicable to the occupation segmentation in the Australian labour market (King 1990). Legislation in the early twentieth century, while intending to protect women during their child-bearing years, had indirectly created occupational and educational barriers. There were "male occupations" that excluded women workers, and therefore reduced the demand for female labour and raised men's wages. Consequently women were crowded into "female occupations", leading to a reduction in the female wage rate (Sarensen 1990). This in turn lowered the opportunity cost of unpaid work and discouraged the participation of women in the paid workforce.

4 EMPLOYMENT POLICIES CONTRIBUTING TOWARDS OLDER WOMEN'S POORER ECONOMIC STATUS

Today many older women experience greater financial burdens in old age. The policies of the Australian government that had a role in limiting older women's opportunities to save for retirement are discussed below.

4.1 Government Employment Policies

i) Wage Differentials between Men and Women

Gender wage differentials were institutionalised in Australia's wage fixing system. In the early years of the 20th century all the States adopted some form of legislation for the protection of young women workers, regulating hours and work conditions to protect their childbearing capacities. Although this shielded them from dangerous conditions, it excluded them from equal pay, certain kinds of work, and employment upon marriage. In the Harvester judgement of 1907, Justice Higgins set the basic female wage at 54 per cent of the male wage.

In 1942 the Women's Employment Board (WEB) drafted women into essential wartime work. At this time the need for women's labour and union concerns for job competition from cheap female labour led to a temporary increase in women's wages to 90 % of the male rate (HLCA 1992). However with the disintegration of WEB in 1944 and the end of WWII in 1945 women's wages in all key industries were readjusted to 75% of the male wage in 1950 by the Commonwealth Arbitration Court (Hunter 1986).

The rise of the female wage rate from 54% to 75% of the male basic wage was primarily

driven by a general shortage of labour in Australia. The expanding tertiary sector required a relatively high level of literacy, and women supplied the needed clerical and administrative skills.

By the late 1950s and early 1960s a large number of married women remained in the workforce. The high labour demand and the effects of migration broke the barriers to the employment of married women. In areas like teaching and nursing, the demand for workers overrode the reluctance to employ married women, especially if they could be employed at lower pay rates. In 1966 the Commonwealth Public Service permitted married women to work in the public service (Radford 1990). In 1970 the public service abolished the higher clerical selection tests for women, thus increasing women's accessibility to many clerical positions.

Historically, wage differentials between men and women were maintained by policies, and legislation was based explicitly on the issue of gender. However by the 1970s the obstacles of financial equality were more subtle. The explicit wage discrimination ended with the 1969 and 1972 Equal Pay Cases that determined that male/female wages should be based upon the premise of equal pay for work of equal value (Kidd and Viney 1987). However the rejection of the principle of comparable worth by the Arbitration Court implied the continuation of wage differentials. The non-gender specific awards drawn up in the wake of 1972 decision on equal minimum pay meant that the existing separate classifications of male and female jobs were combined into one (Bennett 1986). In practice many female jobs were slotted at the lowest level on the new general scale, even though the level of skill required for these female jobs may have warranted a higher classification (Curthoys 1987).

ii) Wage Differentials Arising from Gender Segregation of Employment

Although the Arbitration Court had little to do with the gender segregation of labour per se, it endorsed the perception that some types of work were only for women and that women's work was less valuable than men's. This is highlighted by the court's decision on the existing margins of skill (Hunter 1986). Skills associated with men's work, including the use of physical strength and the ability to perform a range of tasks, came to be valued more highly than skills associated with women's work such as speed, dexterity and performance of repetitive tasks. For instance the Metal Trades Award 1965 awarded male process workers a higher skill margin on the grounds that they had to be more versatile than female process workers (Hunter 1986). The rejection of equal pay for comparative work ensured the continuation of lower pay for female-dominated occupations. In practice the equal minimum wage decision of 1972 merely integrated male and female classifications without any specific study of work for equal value. For example, secretaries working under Municipal Officers were paid in at the lowest rung of the clerical range on the assumption that typing was inferior to straight clerical work, despite the greater level of skill involved (Hunter 1986).

During the influx of women into the labour market in the 1960s and 1970s, women entered the expanding occupations, particularly in clerical and service work. By mid 1970s women's greater presence in the workforce did not mean less segregation of jobs by gender (Curthoys 1987). The gap between the earnings of men and women was largely due to the persistence of occupational segregation, which left women in lower paid employment where the returns to their schooling and work experience were comparatively lower. Since 1969 males have dominated managerial and administrative positions while females have remained in the lower paid clerical and sales occupations. In 1996 less than half of all managers and administrators were female (6% of the total female working population compared with 14% of the total male working population). Women continue to dominate the low paid occupations with historically

small superannuation coverage such as clerical and sales.²

In 1985 the Australian Conciliation and Arbitration Commission approved the principles of the 1972 Equal Pay case. However it rejected the comparable worth concept which was meant to ensure the earnings in female-dominant occupations reflect their education, training and experience (Curthoys 1987; Sawer 1990).

Although female/male earnings ratio narrowed substantially between 1972 and 1978 from 69% to 82%, very little improvement has occurred since (King 1990). The average weekly total earning female/male ratio increased slightly from 82% in 1978 to 84.5% in 2000. Despite the Arbitration Court decision to establish equal pay in 1972 and the introduction of equal opportunity legislation, women in full-time non-managerial employment in 2000 earned only 84.5% of the male average. The continued segregation into male and female employment contributes to this wage gap.

iii) Affirmative Action: Reducing Gender Segregation of Employment

The anti-discrimination legislation in 1984 both at the Federal and State level, with the exception of Queensland and Tasmania, attempted to breakdown employment barriers and to help women go up the job hierarchy (Curthoys 1987). Affirmative Action (Equal Employment Opportunity for Women) through the Human Rights and Equal Opportunity Act of 1986 and the Equal Employment Opportunity Act of 1987 (Sawer 1990) strengthened this objective. The Equal Employment Opportunity Act was developed in consultation with

² In 1996, of the total female working population 55% worked as clerks, salespersons and personal service workers; Of the total male working population 16% worked as clerks, salespersons and personal service workers in 1996.

employers and the peak council of employees, and the Australian Council of Trade Unions (ACTU). Under the Act, private sector employers with more than 100 employees, and higher education institutions, were required to develop and report annually to the Affirmative Action Agency (AAA) on their affirmative action initiatives. Affirmative Action required employers to adopt specific indicators to encourage the hiring, training and promotion of racial minorities and women, with a commitment to target proportions in each occupational category. This involved aggressive hiring of women; subsidised child-care and flexible working arrangements; and preference to women when applicants were equal (King 1990).

Findings on the effectiveness of Affirmative Action appear mixed. As part of the review process the AAA developed in 1992 a framework for monitoring trends in women's employment, drawing on the Australian Bureau of Statistics (ABS) employment data. Women's workforce participation, women's earnings relative to men's and the representations of women across occupations were all part of this. Little has changed since the introduction of the Equal Opportunity Act of 1986. The under-representation of women as managers and administrators in 1996 (6% of the total employed females) compared with men (14% of the total employed males) is evidence of the continuing existence of barriers limiting women's employment opportunities. The earning ratio of females to males of these full time adult non-managerial employees further illustrates the barriers. Between 1986 and 1996 the earning ratio of females to males inched by only 1.8 points from 82.7 to 84.5.

Several studies confirm the ineffectiveness of the Equal Opportunity Act. Braithwaite's (1993) review³ of Affirmative Action found that only 11% of companies met the requirement of legislation and introduced initiatives to improve women's position in the workplace. A study by Still (1993) found that during 1984-1992, women had only a slight increase in

³ Two independent judges reviewed the public reports of the 153 companies.

representation in management. Sheridan's (1995) investigation also found Affirmative Action had little impact. While the effectiveness of Affirmative Action remains to be seen, it is certain that women over 65 have missed the recent opportunities to improve their financial position. During the late 1980s and 1990s when government legislation attempted to reduce horizontal and vertical occupational barriers, many women in the paid workforce were already locked into unskilled, low pay, intermittent work. The disincentives of employers to train the older employees further add to the ineffectiveness of Affirmative Action.

As social attitudes and values changed in Australia in the 90 years or so, the work status of women gradually improved. However, they came too late for women aged 65 years and more.

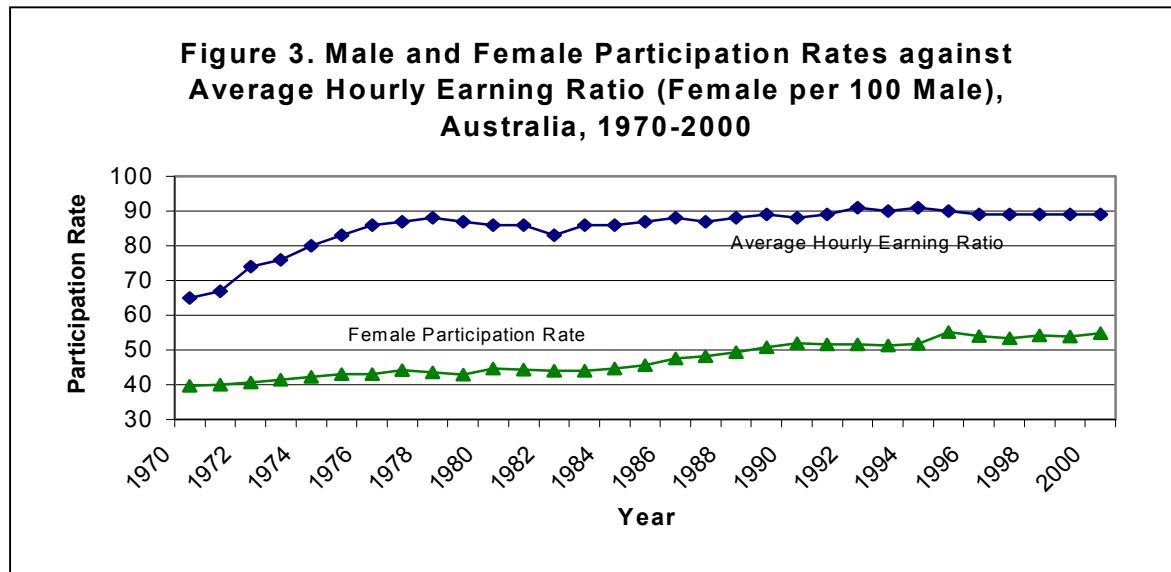
4.2 Impact of Government Policies on Female Participation Rates

Higher participation rates would allow women better opportunities to save for their retirement. The institutionalisation of wage differentials and the persistence of employment barriers left many women in relatively poor economic circumstances as they aged.

Legislated lower female wages led to a shortage of female labour, particularly in the areas of nursing and teaching, in the 1950s and 1960s⁴. The gradual rise in the female wage over the years, particularly the principle of equal pay for equal work value introduced in 1972, contributed to the improvement in participation rates among women. The positive relationship between the female/male earning ratio and the female participation rate is

⁴ The lower legislated female wage rate makes returns on investment in female labour lower than that of males. In the long run, the lower opportunity cost of being in paid employment leads to a further reduction in the female participation rate as women remain in unpaid employment to become home makers and carers.

illustrated by the 27% increase of both variables since 1970⁵ (Figure 3).



Sources: ABS 1970-1998 Cat. No. 6203.0; Mitchell 1984 p.186 cited in King 1990; Calculated from ABS 1998-2000 Cat. No. 6306.0 p.25.

Further attempts to improve female participation rates and reduce the drain in skilled female labour occurred during the 1970s with the introduction of legislation designed to encourage the work retention of married women, especially during their child-bearing years. In 1973 the Federal public service introduced maternity leave followed by the States and some sections of private industry. However, today's older women benefited very little from these government policies directed at working mothers, since these older women had already passed their child bearing years⁶.

The Labor government (December 1972 to November 1975) recognised that childcare provisions increased the supply of labour and so the Federal Childcare Act of 1972 provided Federal funding for childcare. Between 1972-1978 diverse forms of childcare were developed including community managed child-care centres, occasional care, emergency care and playgroups. Between 1984 and 1988 the Labor government (March 1983 to December 1991)

⁵ This contrasts with the male participation rate that fell by 11.5% over the same period, possibly reflecting the microeconomic reforms of the 1980s that lead to major retrenchments in male dominated industries.

⁶ A 65 year old woman in 2000 would have been 35 years of age in 1970.

created 20 000 new child-care places (*Australian Geographic* 1996). However childcare remains inadequate particularly the before/after school care, and vacation-care. In 1994-95, 42% of demand was unfulfilled for before and after school care, and vacation care (Commonwealth Department of Health and Family Services 1997).

Women's participation in the workforce grew as wage rates and employment conditions improved through equal pay, anti-discrimination legislation, maternity leave, child-care and affirmative action. Women moved towards full time and part time employment in the 1970s, 1980s and 1990s as the opportunity cost of staying at home increased. While this narrows the economic gender gaps of the younger cohorts as they reach retirement, again the older women benefit very little from these improved wages, conditions and benefits.

4.3 Superannuation: A Major Source of Financial Inequality

A most influential policy on the aged income is superannuation. The Federal government's notion of self-reliance was manifested in various incentives aimed at increasing superannuation coverage to encourage private saving by working individuals for their retirement. However this policy initially widened differentials and promoted a disadvantaged group consisting mainly of older women.

i) Superannuation Funds and Eligibility

Reflecting the prevailing attitudes and community values of 30 and 40 years ago, government policy prior to the 1970s excluded women from certain occupations and from superannuation funding in the belief that the women's income was supplementary to the male family wage. Many older women today experienced these exclusions in the past and consequently face

financial disadvantages today.

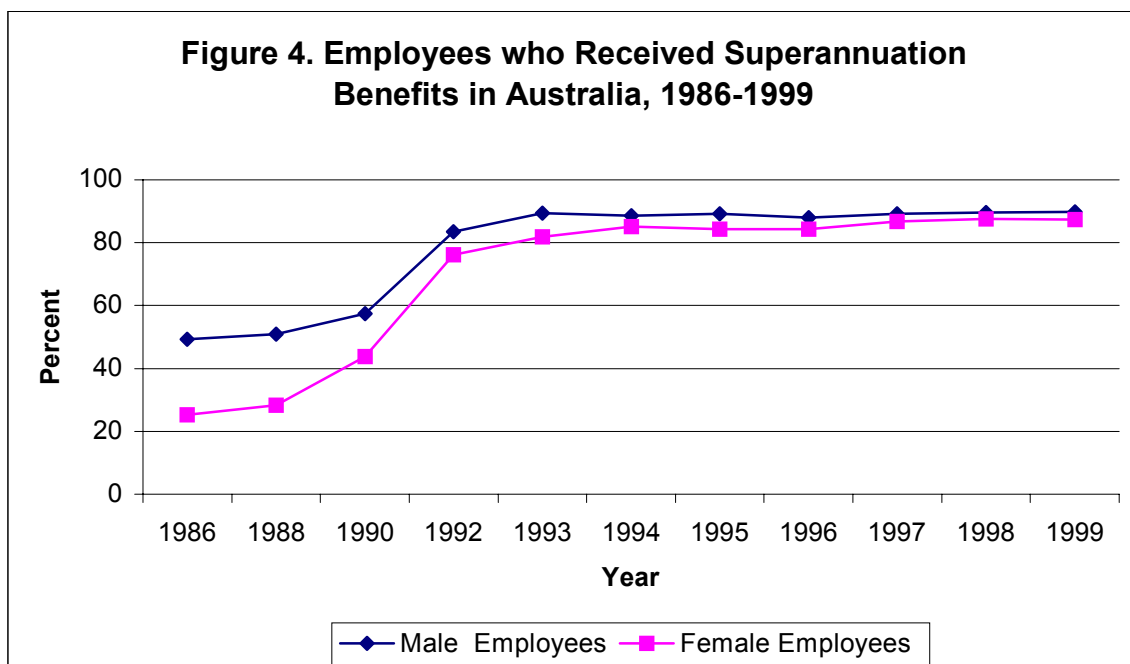
Until the mid 1970s, Federal and most State governments excluded women from permanent jobs when they married. Prior to 1966 the Commonwealth Public Service required women to resign from permanent employment upon their marriage, thus ending their superannuation coverage. Up until 1970 the Public Service higher clerical test for women further excluded many women from joining superannuation schemes (ABS 1997). Later superannuation became compulsory for men but optional for women; only a few women performed in these schemes as many considered their income was only supplementary to the household incomes.

During the 1970s the Australian government supported employer contributions and fund earnings in order to encourage the development of superannuation with the aim of cutting its aged pension bill. While the taxation system provided incentives for workers to save for their retirement, those outside the paid workforce (of whom the majority are women) had little opportunity to save for retirement. Between 1974 to 1979 employees belonging to superannuation schemes rose from 32% to 42%; by 1982 coverage reached 45% of workers. The incidence of Australian coverage was highest among males who were full time employees, professionals, managers, administrators and public sector employees. They were typically between the ages 45 and 59 with high earnings and from industries dominated by large firms with a unionized work force (McCallum and Geiselhart 1996). Women continued to be largely excluded from superannuation because of their employment in part time, casual, and “female” occupations (McCallum and Geiselhart 1996). Their exclusion left them with low incomes in their retirement years (Rimmer 1991; Kidd 1993; Clare 1994; Orand 1996).

The most significant development in superannuation coverage occurred in 1986. The Accord (1983-1996) between the ACTU (Australian Council of Trade Unions) and the Federal Labor

Government resulted in a rapid increase in superannuation coverage while maintaining restraint on wage increases (Sax 1990; McCallum and Geiselhart 1996). The Conciliation and Arbitration Commission handed down its decision in response to the ACTU claim for a productivity increase to be taken in the form of superannuation. This outcome enabled the Government to continue its low inflationary goal. As a result of the National Wage Case decision in July 1986 superannuation coverage widened to meet the government's desire for improved pension coverage. The Conciliation and Arbitration Commission formally approved agreements between employers and unions concerning employer contributions to approved super funds at 1.5% of wages from January 1988 with a further 1.5% from January 1989 (Schulz, Borowski and Crown 1991).

However the superannuation schemes remained inaccessible to many women owing to the nature of their work (part time, casual, unpaid). Up to 1988 very few superannuation schemes allowed part time and casual workers to join or retain membership (Rosenman 1986; Perry 1988). This ensured that the older women were either dependent on their husband's superannuation or the age pension (Sax 1993). In 1986, only 25% of women workers were



members of a superannuation scheme compared to 49% of male workers (Figure 4). Only 4% of part time workers, who were mainly women, were members of a superannuation scheme.

ii) Extension of Superannuation Coverage to Women Employees

After 1988 superannuation coverage was extended to part time workers (Schulz, Borowski, Crown 1991). Amendments to the law on discrimination in 1988 made it unlawful for employers not to provide superannuation on a pro rata basis for part time employees. Consequently superannuation coverage for women soared from 28% in 1988 to 44% by 1990 (Figure 4). As a result of the superannuation reform, superannuation now covers 89% of Australia's total workforce, including 70% of part time workers in 1999. Since men did not dominate part time employment the increase in their coverage was less dramatic during this time, from 51% to 58%. More dramatic has been the increased coverage among the women; between 1986 and 1999 membership rose from 25% to 87%. The inclusion of part time workers significantly contributed to this increase.

However superannuation schemes were often inflexible including the lack of preservation, vesting and portability of schemes, and they restricted women's retirement incomes (Rosenman 1993; Patrickson 1994; Office of the Status of Women 1999). Women would take intermittent withdrawals from the workforce for family reasons (Rosenman 1986; Perry 1988); their superannuation entitlements were lost each time they changed employer or industry, or left the workforce (Perry 1988). Thus Women who belonged to superannuation schemes were less likely to remain in a single scheme until retirement. In the past, resignation payments often contained neither the employers' contributions nor the commercial interest of the employees' own contribution (House of Representative Standing Committee on Legal and Constitutional Affairs 1992). Until March 1993 all the

superannuation benefits of early retirees, that were left in their superannuation or rollover funds, were not exempted from the assets and income tests (Blewett 1992 cited in Sax 1993). Unfortunately the changes in superannuation coverage of the 1980s and 1990s had minimal benefits for today's older women because they were introduced towards the end of these women's working life.

The combination of family responsibilities, lower paid work and part time employment had constrained women's access to superannuation schemes (Sinha 1995; Sax 1993). Male wage earners accumulate, on the average, retirement saving assets 2.7 times those of women (Olsberg 1995). Thus despite the principle of equal pay and opportunity, few women are able to make themselves financially secure in old age (Curthoys 1987; Rummery 1992; Eccles 1984). Currently women spend 17 years in paid employment compared to men's 39 years (Sinha 1995; Office of the Status of Women 1999). This implies significant gender differentials in superannuation benefits.

iii) Superannuation Guarantee Charge: Another source of Gender Inequality

The Superannuation Guarantee Charge (SGC)⁷ brought all wage earners under the super umbrella as of July 1992 (Rosenman 1993), prescribing a minimum level of employer contribution for the majority of employees. The minimum level commenced at 3% to 4% of earnings for 1992-1993 and has been rising gradually to 9% of earnings for 2002-03 and beyond (Ross et al 1997). Between 1990 and 1992 the proportion of female employees with superannuation rose from 44% to 76% (Figure 4). This greatly reduced the financial disadvantage for women at retirement. The barrier to women's access to superannuation

⁷ Requires employers to contribute on behalf of employees earning more than \$450 per month, prescribed minimum contributions to complying superannuation funds or to otherwise pay a tax.

diminished further as a result of changes to the Sex Discrimination Act of June 1993 which prohibited discriminatory superannuation provisions (McCallum and Geiselhart 1996). By 1999 superannuation covered 87.3% of female and 89.8% of male employees.

Although the superannuation coverage has steadily widened for greater economic independence in old age, today's system could become a main source of gender inequality (Brown, Bosnan and Gallery 1996). The benefits an individual receives from superannuation and pension schemes are based on past continuous paid work and previous earnings. Therefore people in unpaid work, such as household chores, child-raising and caring for their older relatives, are excluded (McCallum and Geiselhart 1996; Rosenman 1993; Kendig and McCallum 1990). The increase of self-funded retirement incomes based on occupational superannuation is expected to widen the gaps in retirement income between men and women (Walpole 1994; OWN 1995). Also the rising divorce rates add to the seriousness of this matter. Not only are unpaid workers, mainly women, excluded from superannuation schemes but until recently they are prohibited by law from claiming a share of their husband's superannuation in the event of divorce (Office of the Status of Women 1999). Although recent court decisions have included superannuation in divorce settlements, superannuation is often traded off against other assets such as the family home (Older Women's Network 1995; Sinha 1995).

Since the introduction of the Superannuation Guarantee Charge in 1992 many women now have access to superannuation, but in most cases their accumulated benefits are usually quite small as many have had access to superannuation for only a relatively short time (Office of the Status of Women 1999). For older women their circumstances are graver. Table 1 shows the rise in private retirement income as the main source of income for people aged 45 and over, who are retired from full time work. In 1983, compared with 25% of total retired males,

Table 1: Retired from Full Time Work Aged 45 and Over: Main Source of Income by Gender in Selected Years, Australia

	% of Retired Males			% of Retired Females		
	1983	1986	1997	1983	1986	1997
Pension/annuity purchased	12.2	11.9	15.7	3.6	3.4	7.4
Government pension	69.9	68.5	64.1	63.7	62.4	62.6
Business, property, investments	12.7	13.6	11.6	7.5	8.3	9.2
Savings, sale of assets	1.4	1.4	1.8	0.9	1.1	1.2
Part-time work	1.9	1.8	3.1	3.7	4	6.8
Someone else's income	0.6	1.4	1.9	19.4	19.6	11.6
Accumulated leave/compensation			0.1			.05
Other	1	1.3	1.6	1.0	1.2	1.2
Total (N) ('000)	763.6	887.6	1205.8	519.7	579.8	873.7

Source: ABS 1983 1986 1997 Cat. No. 6238.0 p.12

only 11% of total retired females over 45 years reported having a private pension, business, property, or investment as their main source of income. Although their financial independence improved by 1997, significant gaps remain as only 17% of retired women (compared to 27% of retired men) reported they had these as their main source of income. As at June 1994, the average superannuation entitlement for women was around \$17000 compared to \$42000 for men; only 23% of Australian women held superannuation (Office of the Status of Women 1999).

4.4 Policy Shift to Community Aged Care: Implications for women's role as carers

The government's recent push towards community care for the frail and disabled, as reflected in the Home and Community Care programme, may worsen the economic circumstances of older women. The Home and Community Care (HACC) programme introduced in 1985 changed the focus of care to a coordinated set of services (e.g. meals, house maintenance) in order to satisfy the assessed needs of disabled individuals, including the frail elderly by providing care within their home rather than in institutions. Jointly funded by the Commonwealth and State governments, HACC includes meals on wheels, paramedical and

home nursing services, respite care, transport, housekeeping, and other domestic assistance services (Schulz, Borowski and Crown 1991; Courtney Minichiello and Waite 1997).

The cost effectiveness of community care services in comparison to institutionalised care motivated the government towards this policy direction. (Onyx, Benton and Bradfield 1991). Community care in the 1990s has relieved the government of the burden of subsidising for the construction and maintenance of nursing homes, hostels and self contained units for the aged. Table 2 shows the steady decline of health establishments for the severely handicapped aged, and the increased contribution from private households by comparing 1988 with 1993.

Table 2: Type of Residence, Persons (Aged 65 and Over) with Profound or Severe Handicap by Gender in Australia, 1988 and 1993 (Percent of Older People)

Location	1988			1993		
	% Older Males	% Older Females	% Total Older Persons	% Older Males	% Older Females	% Total Older Persons
Private households	72.98	62.8	65.8	74.6	70.3	71.6
Health establishments	27.02	37.2	34.2	25.4	29.7	28.4
Total (N)	99100	231700	330800	113200	250000	363200

Source: Calculated from Australian Institute of Health and Welfare and the Office for the Aged 1997 section 19

Source: ABS 1998-1999 Cat No. 6310.0 p.239

Recent studies highlight the reliance of community care on the unpaid support by family and friends (Kendig McVicar Reynolds 1992; Beilhorz Considine and Watts 1992; Healy 1990). While these programmes are successful in delaying the institutionlisation of the ill/disabled aged by caring for the aged in their own homes, these programmes have the potential to worsen the financial situation of informal carers who mostly consist of women.

Women including fit older women carry a disproportionately heavy load caring for the frail, aged parents, or other family members (ABS 1998c). They comprise over two thirds (70%) of all primary carers (ABS 1998c). Women may have to change their employment, retire early or opt for fewer paid work hours in response to family circumstances (Rosenman 1990;

Botina 1993; Olsberg 1995; Clare 1994). Since the public spending cuts of the 1990s, there has been a rise from 9.1% to 11.7% of women who retired from full time work to look after family, house or someone else (Table 3). In 1983, 52% of women who retired from full time work did so because of family reasons (pregnancy; to look after family, house or someone else) compared with 1% of men. These figures have changed little in 1997 with 49% of women and 2% of men retiring because of family reasons⁸. Of all the people who retired from full time work in 1997, only 37% of the men and 11% of the women reached the appropriate or compulsory age for retirement. Although government benefits such as the carer's pension provides some economic assistance, many women are disadvantaged at

Table 3: Persons Retired from Full-time Work: Reasons for Ceasing Full-time Job by Gender in Australia, 1983 and 1997

Reasons	% of Total Male Retirees		% of Total Female Retirees	
	1983	1997	1983	1997
Job loser (Retrenched/ill/nature of job changed)	29.8	46.6	17	20
Unsatisfactory work arrangements/pay/hours	1.3	1	2.6	1.3
Reached appropriate age for retirement/too old	64.6	16.7	20.6	6.2
Reached compulsory age for retirement		19.8		5
Prefer part-time work or full time too stressful		1.2		3.1
Early retirement package/eligible for super or service pension		6.2		1.1
To pursue leisure activities		1.7		2.8
To get married	-	-	32.5	19.1
Pregnancy/to have children	-	-	10.2	18
To coincide with partner's retirement		.2		2
To look after family, house or someone else	0.8	1.7	9.1	11.7
To have holiday/move house/spouse transferred	1.3	1.4	5.3	5.3
Business closed down or sold for other than economic reasons		1.6		1.9
Other	2	1.8	2.6	2.6
Total (N)		1296.9		1918.4

Source: ABS 1997 Cat. No. 6238.0 p13-14

⁸ Categories used to calculate figures: To look after family, house or someone else; Pregnancy/have children; To get married.

retirement because they have had lesser opportunities to accumulate superannuation⁹. Since superannuation in Australia is linked to paid employment, women's lower participation rate resulting from the cuts in public spending has restricted their opportunity to save for their retirement.

5 CONCLUSION

The policy paradox continues. The older women's dependency on government support is largely the result of past "well meaning" government policies and legislations. The institutionalisation of wage differentials and employment barriers based on gender in the early 20th century were implemented originally to protect female workers from exploitation. Yet these policies had discouraged the participation of women in paid employment and left them with little opportunity to save for retirement. Today many of these women experience great financial burdens in old age.

Although policy makers in recent times have attempted to equalise wages and to breakdown employment barriers, these reforms have come too late for the older women. Years of low pay, casual, part time employment and exclusion from retirement benefits mean that most of the older women today have little if any private retirement income of their own. Work related compulsory superannuation coverage continues to exclude unpaid workers (e.g. homemakers and informal carers), thus upholding status differentials between genders.

Although the disadvantaged groups are protected by the safety nets of government entitlements and programmes, as Australia's welfare services move towards a user pay system, it will become increasingly important for older women to have an adequate income of their own (Donathan 1994).

⁹ Women may be better placed to receive inherited wealth since they have traditionally cared for ageing parents and elderly relatives. However, women's greater reliance on the aged pension⁹ and their lesser reliance on business, property and investment (refer Table 1) as their main source of income compared with men, implies that inherited wealth provides insufficient income for women during older age.

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GOVERNMENT POLICIES ON EMPLOYMENT AND SUPERANNUATION: CONTRADICTIONS AND CONSEQUENCES FOR OLDER AUSTRALIANS

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