

30 January 2013

Department of Families, Housing, Community Services and Indigenous Affairs

Email: women@fahcsia.gov.au

Dear Sir/Madam,

**Workplace Gender Equality Act 2012
Consultation on reporting matters**

The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia's \$500 billion not-for-profit superannuation sector. AIST's members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

AIST supports the introduction of the *Workplace Gender Equality Act 2012* (WGEA) and endorses its objectives as outlined in section 2A of the Act. AIST restricts its comments in this consultation to its areas of expertise and particular interest, namely adequacy of superannuation savings for women and gender equality on governing bodies and in leadership roles.

AIST reporting principles

AIST, together with Industry Funds Forum, publishes the Fund Governance Framework for Not-For-Profit Superannuation Funds. The Framework complements superannuation trustees' obligations under law and is designed to advance the professionalism and integrity of the trustee community, while promoting improved transparency and disclosure.

Gender balance goals for boards have been a key feature of the Framework, recommending that a minimum of 40% of directors of each gender be represented on super fund boards. In its next edition, due out later this year, we intend to include a recommendation to publicly report against the WGEA gender equality indicators on a voluntary basis for those super funds with less than 100 employees (or those otherwise excluded from the operation of the Act). We would recommend that a fund's performance against these indicators be disclosed publicly either on the super fund's website or in its annual report, and only be lodged with the Workplace Gender Equality Agency if the Agency has the requisite capacity to cope with the submission of additional reports.

The superannuation industry's prudential regulator, the Australian Prudential Regulation Authority has introduced new reporting requirements for the industry. These reports do not currently require reporting against gender diversity targets; however, if regulations were to extend to gender equality in the workplace matters, we would recommend that the Agency obtain its information through the regulator to avoid additional cost and effort for super funds.

Areas of inequality for superannuation savings

AIST has identified a number of areas of inequality where women are disadvantaged in terms of their retirement savings. Given that a person must generally earn an income to qualify for superannuation contributions, AIST supports policy initiatives that lift female workforce participation and will also lift the retirement savings of Australian women.

In its 2013 Pre-Budget submission to the Treasurer, AIST makes recommendations in relation to superannuation adequacy for women in the following areas:

- The \$450 monthly earnings threshold for payments of superannuation guarantee contributions is particularly disadvantageous to women who are more likely than men to work in casual or part-time employment and we recommend that the threshold be abolished;
- That the addition of a superannuation component to parental leave payments, and/or a superannuation component to the 'baby bonus' would help parents, and particularly mothers, who take time out of the work force, to grow their superannuation while on parental leave;
- That a return- to-work bonus would encourage greater workforce participation by women, and perhaps have women return to the workforce sooner rather than later.

AIST does not recommend that these areas of disadvantage be the subject of reporting pursuant to WGEA, but rather that our recommendations to improve gender equality in these areas are adopted, to help alleviate the disadvantage many women face.

In terms of the priority measurable outcomes and process indicators, AIST supports collection of data that is comparable from one year to the next within an organisation, and also comparable between different reporting organisations.

AIST also supports the disclosure of gender equality policies relating to employment matters (as defined in the Act) and the gender equality indicators (as defined in the Act) as well as any targets set by the reporting organisation. Progress against those set targets should then be reported on annually, including those relating to any governing body of the reporting organisation.

AIST supports the example reporting matters identified in the Framework for Reporting Measures under the Gender Equality Indicators, accompanying the Issues Brief.

If you have any further questions regarding this submission, please don't hesitate to contact me at escheerlinck@aist.asn.au.

Yours sincerely,

Eva Scheerlinck
Executive Manager, Governance