

MEDIA RELEASE 7 March 2024

AustralianSuper welcomes win for members with superannuation to be extended to Paid Parental Leave

AustralianSuper welcomes a major win for members with the Federal Government's announcement that the Superannuation Guarantee would be extended to the Commonwealth Parental Leave Pay.

AustralianSuper Chief Executive Paul Schroder said he was proud that the Fund had campaigned on this issue for many years and delighted that the decision from the Minister for Finance and Women Katy Gallagher will add around \$7,000 per parental leave period for members at retirement.

"AustralianSuper has campaigned for superannuation to be paid on paid parental leave for many years and strongly believes structural inequalities that contribute to lower superannuation balances for women at retirement must be addressed. This announcement is a major milestone for members – particularly women - and will have a significant impact for them in retirement.," Mr Schroder said.

"This boost to the retirement savings for those receiving the Commonwealth Parental Leave Pay will be particularly beneficial for low paid and vulnerable workers.

"We know taking time out of the workforce to care for children is a major factor in Australian women retiring with around 25 per cent less super savings than men.¹ This announcement is an important step forward and one that will make a real difference to women."

Mr Schroder said the Fund saw every day the impact the gender pay gap had on member's retirement outcomes.

"Our data shows that a woman who takes 10 years out of the workforce to care for children has 12 per cent less income in retirement than a woman who does not have a career break. That's 12 per cent less to pay for housing, food, healthcare and other necessities to live well in retirement." Mr Schroder said.

"For a 25-year-old man on a median wage our data suggests they will save \$459,000 for their retirement, while for a 25-year-old woman on a median wage it is \$334,000; which is a material difference.

"After today's announcement we look forward to seeing that gap close for many Australian women. But as we recognise International Women's Day, it is a timely reminder that this is just one step along the way to helping women achieve better financial futures.

"We must continue to be ruthless in our commitment to close the current gender pay gap so all Australians can achieve their best financial position in retirement."

AustralianSuper provides all colleagues with 20 weeks paid parental leave and superannuation with no qualifying period and no distinction between primary, secondary or birth parent status.

The Fund continues to make superannuation contributions at the full-time rate for 104 weeks from the commencement of parental leave irrespective of whether the colleague returns to work on a full-time or part-time basis or is on leave without pay during that period. The Fund's Enterprise Agreement provides for employer contributions at 13%.

AustralianSuper has proudly held the WGEA Employer of Choice for Gender Equality citation for the past 12 years, with Chief Executive Paul Schroder spearheading the drive towards a zero-pay gap.

The Fund has had a strong advocacy position on the superannuation gap for women and is also working with industry partners to address these inequalities by participating in forums such as the Champions of Change Coalition to raise awareness within the financial services industry.

Media contact:

Senior Manager Media Relations
Stephen McMahon
0407 507 415
smcmahon@australiansuper.com

About AustralianSuper

AustralianSuper manages more than A\$316 billion in members' retirement savings on behalf of 3.3 million members from more than 466,000 businesses (as at 31 December 2023).

This media release may include general financial advice which doesn't take into account your personal objectives, financial situation or needs. Before making a decision consider if the information is right for you and read the relevant Product Disclosure Statement, available at australiansuper.com/pds. A Target Market Determination (TMD) is a document that outlines the target market a product has been designed for. Find the TMDs at australiansuper.com/tmd.

AustralianSuper Pty Ltd ABN 94 006 457 987, AFSL 233788, Trustee of AustralianSuper ABN 65 714 394 898.

[1] Retirement savings improving but still a savings gap for many, ASFA, November 2023

ⁱ Women are (slowly) closing the superannuation gap, Roy Morgan, April 2023