



Position Statement: **Reducing Financial Vulnerability of Older Rural, Regional and Remote Women**

October 2025

Problem identification

The financial vulnerability of older rural women is being amplified by current Age Pension (Pension) policy settings, which disincentivise women from working more to increase their income. This is particularly important for rural women, as they are more financially vulnerable than their counterparts in the cities.

Definitions

For the purposes of this statement:

- Older women refers to women aged 55 years and older.
- Rural, regional and remote will be referred to as rural.

Policy landscape

A third of Australian's live outside metropolitan areas, with women comprising 51 percent of this population.¹ Many of these women face financial vulnerability after a lifetime of contributing their time, energy and skills to their communities and being identified as the 'backbone' of rural Australia. Facing financial hardship not only means they struggle to afford their everyday living expenses, but it also leads to housing, physical health, mental wellbeing, and safety challenges.

The statistics clearly demonstrate older women's financial pressures. For example, women have significantly less superannuation than men, as the median superannuation balance for women is \$153,685 compared with \$205,385 for men.² Further, the proportion of women with no personal income when they retire is 18 percent in comparison to 4 percent of men.³ Older women are overrepresented in social housing and homelessness, with homelessness

¹ Australian Institute of Health and Welfare. (2024). *Rural and remote health*. Retrieved June 26, 2025, from AIHW: <https://www.aihw.gov.au/reports/rural-remote-australians/rural-and-remote-health#:~:text=These%20remoteness%20areas%20are%20centred,MM%207:%20Very%20remote%20communities>

² Association of Superannuation Funds of Australia. (2024). *Research paper: An update on superannuation account balances*. Sydney.

³ Australian Bureau of Statistics. (2024). *Retirement and Retirement Intentions, Australia*. Retrieved July 1, 2025, from ABS: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release>

among women aged 55 years and over rising by 30 percent between 2011 and 2016.⁴ These statistics are exasperated for rural women, as they face fewer work opportunities, narrower employment paths, and lower median personal incomes than their city counterparts.⁵

Many older rural women wish to reduce their financial vulnerability by remaining in the workforce.⁶ Job vacancy rates grow faster than in cities, while rural employers face significant labour shortages, particularly in health care, social assistance, agriculture, hospitality, and tourism.⁷ Older women are an under-utilised and capable workforce that could help fill these gaps, as many have the skills and experience to work in these sectors having performed a variety of caring and community roles.

However, many pensioners are unable to increase their working hours because their Pension payments are reduced and eventually suspended once they earn above a modest threshold. Even with the Pension and associated benefits, many retirees, particularly those who rent or have limited savings, struggle to meet basic living costs, leading to pension poverty. This challenge is exacerbated for women, as they experience higher poverty and dependence on the Pension as their main source of income in comparison to men.⁸

Other barriers for older rural women working more include age and gender discrimination in hiring, retraining and workplace culture.⁹ Additionally, the cultural perception of retirement as workforce withdrawal rather than transition does not facilitate access to retraining and upskilling, or support employment flexibility for the valuable and often unrecognised unpaid caring and volunteer roles older rural women play.¹⁰

Employment of older people provides individual and national benefits. Individually, earning an income and participating in work improves wellbeing through social connection and

⁴ Australian Human Rights Commission. (2019). *Older Women's Risk of Homelessness: Background Paper - Exploring a growing problem*. Sydney.

⁵ economic Security4Women & THE Rural Woman. (2021). *The economic security of women in rural, regional and remote Australia: Challenges, opportunities and optimism*; National Rural Women's Coalition. (2021). *The rural/regional/remote woman in 2021: ABS census data and survey data summary*.

⁶ Hutchinson, D., Block, A., Robin, S., Cheng, Y., Shi, C., & Zou, Z. (2023). *Against The Odds - Realising Regional Australia's Workforce Potential*. Canberra: RAI.

⁷ RAI. (2023). *Regional Jobs 2022: The Big Skills Challenge*. Canberra: RAI.

⁸ ACOSS. (2012). *Poverty in Australia*. Sydney: ACOSS; DSS. (2015). *Statistical Paper No. 12: Income Support Customers. A Statistical Overview 2013*. Canberra: DSS.

⁹ RAI. (2023). *Against the odds - realising regional Australia's workforce potential: 2022 Intergovernmental Shared Inquiry Program*. Canberra: RAI.

¹⁰ McNaught, R., Pittaway, E., Bethune, L., Meade, D., & Longman, J. (2025). Governance, collaboration and community organising in rural Australia: A case study of women's experiences and contributions to community health and well-being in the Northern Rivers, Australia floods. *Women's Health*, 21, 1-14; RAI. (2023). *Against the odds - realising regional Australia's workforce potential: 2022 Intergovernmental Shared Inquiry Program*. Canberra: RAI.

purpose and, reduces cost-of-living pressures. Collectively, these advantages result in the benefits of a healthier and increasingly employed society. For example, a five percent rise in workforce participation among people over 55 is estimated to add nearly \$48 billion to GDP.¹¹

Policy recommendations

1. Amend the income test rules, as this is the most direct mechanism to enable rural women to supplement their incomes without losing essential benefits. This could include:
 - Reducing the Pension income test taper limit to allow pensioner to earn more before their pension income is reduced.
 - Exempt employment income for the income test, while all other forms of income would remain subject to income testing.
 - Phase in exclusions from the income test for funds earned in certain sectors that face labour shortages.
2. Support older employees to remain in the workforce longer, both in terms of hours worked and years of employment. This involves:
 - Supporting an increase in flexible employment arrangements and a phased approach to retirement.
 - Encouraging workplaces to embrace the value of older employees through reducing ageism and sexism in recruitment and workplaces.
 - Providing retraining and workplace placement options for older workers.

For more information, please see the NRWC research paper on Reducing Financial Vulnerability of Older Rural, Regional and Remote Women.

¹¹ Deloitte Access Economics. (2012). *Increasing participation among older workers: The grey army advances*. Sydney: Australian Human Rights Commission.