



# Chief Executive Women

Women leaders enabling women leaders

## Engage Victoria: Safe and Strong Strategy 2022

### Chief Executive Women Submission<sup>1</sup>

Chief Executive Women welcomes the opportunity to make this submission to Engage Victoria to inform the development of the Safe and Strong Strategy 2022.

This submission focuses on the new Safe and Strong Strategy Pillar: Leadership Representation. Drawing on contemporary research and CEW member's experience, CEW makes practical recommendations necessary for achieving gender balanced leadership and removing the complex barriers to women's progression and economic security in Victoria.

#### Background on CEW

Founded in 1985, Chief Executive Women (CEW) represents Australia's most senior and distinguished women leaders across business, academia, government, the arts and not-for-profit sectors. Our shared mission is 'women leaders enabling other women leaders'. Through advocacy, targeted programs and scholarships, CEW works to remove the barriers to women's progression and ensure equal opportunity for prosperity. CEW's members work actively to realise our vision of a community where women and men have equal economic and social choices and responsibilities.

CEW's members have leading roles within Australia's largest private and public organisations overseeing more than \$749 billion in revenue, 1.3 million employees, \$1.144 trillion combined market capitalisation and making a greater than \$249 billion contribution to Australia's GDP.

#### Impacts of COVID-19

CEW recognises that COVID-19 has exacerbated many of the existing inequalities between women and men. Women entered the pandemic from a position of entrenched disadvantage and the impacts of this global crisis have been disproportionately borne by women. These inequalities can be even greater for Indigenous, migrant and refugee women, women with disability, older women and LGBTQI+ people.

The pandemic has exposed and deepened the gendered structural inequalities in the labour market for women, featuring precarious employment, low wages and gender pay gaps. Women were initially the hardest hit by job losses and reduced pay, and in addition have had to undertake the bulk of increased care at home. Women are concentrated in insecure and part time work and overrepresented in industries that have been most impacted.

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<sup>1</sup> This brief draws on [CEW's Submission to the Victorian Government Inquiry into Economic Equity for Victorian Women](#).

School closures and restricted access to early childhood education and care have placed additional caring demands on parents, in particular, mothers. Such restrictions are likely to continue into the future, where childcare centres are required to close down for a period of time due to COVID outbreaks among children or staff at the centre, which could further restrict women's capacity to work at these times. At the same time, we are also seeing a reduction in the workforce participation rates of women. Access to affordable early childhood education and care is a critical lever that enables women's workforce participation.

As Australia endeavours to emerge out of the COVID pandemic with a strong economy, given the low migration levels, and the impact of lockdowns on transborder travel, unlocking women's workforce participation and leadership will be critical.

With the Victorian Government being one of the large employers in Victoria, the government has an opportunity to be a leader in addressing barriers to women's workforce participation and progression into leadership within the public service.

CEW recognises that some sectors may draw on funding and contributions from both federal and state governments, for example early childhood education and care, and notes the importance of collaborative development in these sectors, by both state and federal governments.

CEW also undertakes its own research and our reports are available on our [website](#) for your information. The most recent research is attached, [CEW Senior Executive Census 2021](#) and [Equitable Flexibility: Reshaping our Workforce](#).

### **Key CEW recommendations: Safe and Strong Strategy Pillar: Leadership and Representation**

Drawing on contemporary research and CEW member's experience, CEW makes the following recommendations in response to the following priority areas identified in the Leadership and Representation Pillar:

- Women in governance, and executive leadership
- Improving representation of diverse women in leadership
- Addressing structural barriers

#### *Women in governance, and executive leadership*

Recommendation 1: Increase the representation of women in senior leadership roles in the public sector and public entities through:

- Building pipelines for women to enter into executive appointments in public entities
- Supporting women in the public service and public entities to access programs such as CEW's Leaders Program
- Victoria's public sector and public entities voluntarily reporting to the Workplace Gender Equality Agency (WGEA).

### *Improving representation of diverse women in leadership*

- Recommendation 2: Invest in measures to retain and re-engage mature age women in the workforce, specifically through re-training/upskilling programs.

### *Addressing structural barriers*

- Recommendation 3: Invest in job creation and workforce planning for aged care, disability care, early childhood education and care and health care sectors, to meet the growing demand, create secure employment and close related gender pay gaps.
- Recommendation 4: Invest in affordable and accessible childcare by:
  - supporting the completion of the National Early Childhood Education and Care Workforce Strategy and making a financial commitment to its implementation.
  - Prioritise ECEC carers to be vaccinated.
- Recommendation 5: Embed 'equitable flexibility' across the Victorian public sector.
- Recommendation 6: Support Paid Parental Leave models by KPMG and Grattan institutes that provided leave for up to 26 weeks and that is equitably shared by the parents.
- Recommendation 7: Address impacts of gender-based violence on women's workforce participation:
  - Implement to the full extent possible the respect@work recommendations, including a positive duty on employers under the Sex Discrimination Act
  - Invest in services that support workforce participation and continuity in employment for women experiencing family and domestic violence.

## **Women in governance, and executive leadership**

CEW advocates for greater representation of women in senior leadership, which leads to women and men having equal economic and social choices. Women of all backgrounds and diversities, including First Nations women, women with disability, and women of colour, migrant and refugee women, should be equally represented at decision making tables across Australian organisations and institutions. Addressing and removing the complex barriers to women's workforce participation and economic security are key to achieving gender-balanced leadership.

[CEW's Senior Executive Census 2021](#) found that progress towards balanced leadership and the representation of women in decision making roles has stalled at unacceptable low levels. Women in Australia have been graduating from university in greater numbers than men for over a decade. And yet women hold only 6% (18) of Chief Executive Officer (CEO) roles in the ASX300 and 26% of positions in senior executive teams, well below the gender balance of 40%. Of the 23 CEO appointments in 2020-21, only 1 woman was appointed and 15% (44) of ASX300 companies have no women in their senior executive teams.

The CEW Census 2021 data shows a correlation between ASX ranking, targets and gender balance:

- 50% of the ASX100 have set targets of at least 40% of each gender
- 54% of ASX100 companies are on the cusp or have achieved gender balance in their executive leadership teams

To achieve such targets requires organisations to monitor gender diversity targets and undertake concrete and proactive actions such as: make gender equity a visible leadership commitment, build a pipeline for women into leadership, recognise caring responsibilities (such as paid parental leave), engaging men and ensuring equitable flexibility.

[CEW's Leaders Program](#) is a bespoke program developed to inspire and equip women to fulfill their leadership potential. Supporting the participation of women from Victoria public sector in CEW's Leaders Program could be a useful means of supporting the Victorian Government achieve its targets for senior leadership in the Victorian Public Service.

*Recommendation 1: Increase the representation of women in senior leadership roles in the public sector and public entities through:*

- *Building pipelines for women to enter into executive appointments in public entities*
- *Supporting women in the public service and public entities to access programs such as CEW's Leaders Program*
- *Victoria's public sector and public entities voluntarily reporting to WGEA.*

### **Improving representation of diverse women in leadership**

CEW advocates for women of all backgrounds and diversities, including First Nations women, women of colour, migrant and refugee women, women with disability, older women, women in rural, regional and remote communities and LGBTQI+ people, to be equally represented at all decision tables. Diverse and equal representation in leadership is key to outcomes for the whole community are better considered and the barriers many women face to full participation in the economy and community are suitably addressed.

*Recommendation 2: Invest in measures to retain and re-engage mature age women in the workforce, specifically through re-training/upskilling programs.*

The Victorian government could consider measures for re-engaging mature age women in the workforce, particularly within the public sector. This could include provision of incentives such as providing payroll tax exemptions for mature age workers.

Consideration could also be given to investing in retraining, professional development and apprenticeship/internship programs for mature age women, with a focus on sectors with growing demand including care sectors, STEM sectors and the public sector. Greater flexibility will be a necessary feature of such retraining and upskilling opportunities for mature age women.

### **Addressing structural barriers**

Increasing women's workforce participation is one of Victoria's biggest economic opportunities. Economic modelling by KPMG shows halving the workforce participation gap between men and women would increase Australia's annual GDP by \$60 billion by 2038.<sup>2</sup>

***Investing in conditions for stable and secure employment for women that allow for progression to leadership levels, particularly in feminised sectors.***

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<sup>2</sup> KPMG, 2018, Ending workforce discrimination against women, <https://home.kpmg/au/en/home/insights/2018/04/ending-workforce-discrimination-against-women.html>

*Recommendation 3: Invest in job creation and workforce planning for aged care, disability care, early childhood education and care and health care sectors, to meet the growing demand, create secure employment and close related gender pay gaps.*

A key lever for economic recovery and economic equity is to invest and grow job opportunities in female dominated sectors that have been hardest impacted by COVID-19 and that have been shown as vital to support the continued function of the State and economy.

The Victorian Government could play a critical role in investing in the high-quality care systems - such as aged care, disability care, Early Childhood and Education Care (ECEC) and health care - that include decent wages and secure employment for the care workforce, across these sectors. Investment in these sectors and the workforce that services them, will assist to close key gender gaps including the gender pay gap and the workforce participation gap, as well as ensuring an adequate workforce across these sectors to meet the demand.

Further, as large employer with a female dominated workforce – with 68% of the public sector workforce being women,<sup>3</sup> the Victorian Government could invest in secure jobs for women in the public sector.

#### ***Continued and additional support for childcare and pre-school early education***

*Recommendation 4: Invest in affordable and accessible childcare by:*

- *supporting the completion of the National Early Childhood Education and Care Workforce Strategy and making a financial commitment to its implementation.*
- *Prioritise ECEC carers to be vaccinated.*

Making quality early childhood education and care accessible and affordable would provide the biggest boost to workforce participation. When all households can access more affordable early childhood services, more parents (particularly women) will have the opportunity to work additional days and increase their household budget. Investment in ECEC will deliver real benefits in short-term, medium term and long-term economic recovery, workforce participation and productivity.

CEW welcomes the measures the Victorian Government has introduced for improving early childhood and education and care services, CEW supports further investment in affordable and accessible childcare.

Central to ensuring quality accessible and affordable ECEC is investment in the ECEC workforce to ensure there is a sufficient workforce to meet demand, and a workforce that is founded on decent wages and secure employment.

#### ***Promoting equitable flexibility***

*Recommendation 5: Embed equitable flexibility across the Victorian public sector.*

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<sup>3</sup> Victoria Public Service Commission, Workforce data, Employee work status, gender and age, <https://vpssc.vic.gov.au/data-and-research/data-facts-visuals-state-of-the-sector/employee-work-status-gender-and-age/>

For business, workplaces and the economy to recover requires an environment where people have the maximum flexibility to respond to employment opportunities.

CEW's *Equitable Flexibility*<sup>4</sup> report highlights how flexibility at scale unlocks significant economic potential in the workplace. The report finds that purposefully and carefully designed flexibility that doesn't disadvantage any cohort, is an economic and strategic imperative.

Ensuring that equality of opportunity is maximised for women and men across their careers will mean workplaces can tap into 100 per cent of the talent pool and take full advantage of diverse thinking, perspectives and experiences.

### ***Investing in Paid Parental Leave models that encourage greater sharing between women and men***

*Recommendation 6: Support a Paid Parental Leave model that:*

- increases paid parental leave to 26 weeks and enable both parents to share caregiving, as proposed by both KPMG and the Grattan Institute.

The Victorian Government could address structural constraints to women's workforce participation by investing in Paid Parental Leave models that encourage greater sharing between women and men, as outlined in KPMG's report: *Enhancing Work-Life Balance: A Better System of Paid Parental Leave* and Grattan Institute's report *Dad days: How more gender-equal parental leave could improve the lives of Australian families*.

Such models encourage a rebalancing of the distribution of work and care within families and see the active and equal workforce participation of women and men at all levels. Empowering women and men to equally share the caregiving role, which is a key driver for the economy.

Shifting to a primary model of gender equality for parenting would give also rise to a higher standard of living, with increased productivity and participation from women, as well as a reduction in the gender pay gap. Such models are in line with large businesses who are leading the cultural change in shared parenting and seeing the benefits of men and women having more equal access to and take up of parental leave. KPMG estimates that reducing the participation gap by half could deliver a \$140 billion lift in living standards over 20 years.

### ***Strengthening women's economic security into retirement***

We also encourage the Victorian Government to pay attention to the cumulative impact of the gender pay gap resulting in lifelong lower earnings and constricted accrual of superannuation funds. Women's disproportionately low retirement savings increases pressure on the Australian economy, social protection systems, and community services.

- In 2017-18, the median superannuation balance for retiring women was around 65% of the median balance for men - \$119,000 for women (at or approaching 55-64 years) and \$183,000 for men
- Prior to COVID-19 women over the age of 55 were the fastest growing population experiencing homelessness

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<sup>4</sup> Equitable Flexibility, [https://cew.org.au/wp-content/uploads/2021/06/CEW-Report-2021\\_all.pdf](https://cew.org.au/wp-content/uploads/2021/06/CEW-Report-2021_all.pdf)

COVID-19 has further weakened women's economic security. The impact of job losses and loss of income will be felt by many women for years to come and will exacerbate the superannuation gap. The implementation of early access to superannuation during COVID-19 is of significant concern for women, given their disproportionately low retirement savings.

The *2016 Senate Economics Committee inquiry report into retirement incomes for women*<sup>5</sup> found that Australia's retirement income system does not adequately accommodate the different experience of women compared to men in work.

CEW has previously outlined key recommendations in our *Submission to the Retirement Income Review*.<sup>6</sup>

### ***Investing in women's safety and wellbeing***

#### *Recommendation 7:*

- *Implement to the full extent possible the respect@work recommendations, including a positive duty on employers under the Sex Discrimination Act*
- *Invest in services that support workforce participation and continuity in employment for women experiencing family and domestic violence.*

Women experiencing domestic, family and sexual violence and harassment also experience disruption to employment and lower economic security. Progressing women's workforce participation and economic security is predicated on women and their children being safe from violence at home, in the workplace and in the community.

Taking serious and committed action to prevent and remove sexual harassment from workplaces is a critical priority for CEW. As a barrier to workforce participation, it negatively impacts women's economic security as well as personal health and well-being. All Victorians deserve to have workplaces that are safe, respectful and inclusive; more women in senior roles contributes to culturally safer workplaces.

Through our *Respect is Everyone's Business* project, CEW is developing resources for boards and executive leadership teams to support governance discussions on preventing and addressing sexual harassment in workplaces. These will be available in 2022.

Genuine diversity in leadership is necessary to create workplace cultures that prevent sexual harassment and enable women's full participation in the workforce. Family, domestic and sexual violence is widespread and has specific consequences on the Victorian economy and on women's participation in work and leadership roles.

### ***Supporting gender inclusive budgets and policies.***

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<sup>5</sup>2016 Senate Economics Committee inquiry report into retirement incomes for women, [https://www.apf.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Economic\\_security\\_for\\_women\\_in\\_retirement/Report](https://www.apf.gov.au/Parliamentary_Business/Committees/Senate/Economics/Economic_security_for_women_in_retirement/Report)

<sup>6</sup>CEW, Retirement Income Review Submission, 2020, [https://cew.org.au/wp-content/uploads/2020/03/CEW\\_PositionPaper\\_RetirementIncomeReview.pdf](https://cew.org.au/wp-content/uploads/2020/03/CEW_PositionPaper_RetirementIncomeReview.pdf)

The development of effective responses to the wide spectrum of issues currently faced by women is central to the progression of all women in Victorian society. CEW supports the Inquiry's review of current policies with a focus on gender equity.

CEW also welcomes the Victorian Government's 2021/22 Budget commitment to establish a gender-responsive budgeting unit within the Department of Treasury and Finance. This will enable gender impact analysis in the government's budget decision making process and ensure outcomes for women are specifically measured as part of all budget decisions. Gender responsive budgeting could be further embedded through committed ongoing funding for the unit and including gender responsive budgeting in the *Gender Equality Act 2020*.