



# Chief Executive Women



# Pre-Budget Submission 2023-2024



Leveraging women's participation and leadership for economic prosperity and wellbeing

# About CEW

## Women leaders enabling women leaders

Chief Executive Women's (CEW) shared mission is 'women leaders enabling women leaders'. CEW's over 1000 members represents Australia's most senior and distinguished women leaders across business, academia, government, the arts, and not-for-profit sectors. CEW's members have leading roles within Australia's largest private and public organisations. They oversee more than 1.3 million employees and \$749 billion in revenue. Members' organisations have a combined market capitalisation greater than \$1.144 trillion and contribute in excess of \$249 billion to Australia's GDP.

Since 1985 CEW has influenced and engaged all levels of Australian business and government to achieve gender balance. Through advocacy, research, targeted programs and scholarships, CEW helps 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.



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## Acknowledgement

**We acknowledge the Traditional Custodians of Country throughout Australia and pay our respect to their Elders past and present.**

CEW celebrates the diversity of First Nations people and their continuing connection to land, water and community, and acknowledges the strength of First Nations women leading their communities. We extend that respect to Aboriginal and Torres Strait Islander people who are part of the CEW community.

# Message from CEW

“ Putting Women’s leadership and workforce participation at the forefront of the nation’s economic plan will help drive productivity and ensure Australia’s economic prosperity.

Empowering Women and focusing on creating a truly inclusive nation is critical for our country, as we face an increasingly uncertain economic and geopolitical climate.

Women leaders from all walks of life stand ready to partner with the Australian Government to help restore Australia as a world leader on gender equality to drive performance. ”

**Susan Lloyd-Hurwitz**  
President, CEW



CEW members as business and community leaders stand ready to work with the Government to realise a vision of:

- Diverse women leaders at every decision-making table
  - The participation of women in the workforce across all sectors
  - The economic security and physical safety of women
- Workplace flexibility for men and women to work and care.

CEW welcomed the Government’s October 2022 Federal Budget and Women’s Budget Statement recognising gender equality at the heart of Australia’s future prosperity and resilience. CEW applauds the Government addressing, in part, all five of CEW’s long advocated for priorities, outlined in [CEW 2022-23 Pre-Budget Submission](#)

CEW welcomes the Government’s significant commitment to women’s economic equality, in particular its introduction in parliament of legislation to expand the reach of the Child Care Subsidy, extending the Commonwealth Paid Parental Leave scheme to 26 weeks by 2026, making available 10 days domestic and family violence leave under the *Fair Work Act* and implementing the legislative reforms recommended in the *Respect@Work* Report.

This submission focuses on the further reforms necessary to ensure women’s economic participation, leadership and equality, which is central to achieving greater gains in economic productivity and wellbeing. It includes CEW recommendations which have not yet been addressed:

- Invest in well-paid, secure jobs in care sectors through delivering an immediate interim 10% wage supplement for early childhood educators
- Increase Jobseeker and Parenting Payment Single payments to at least pension levels with indexation
- Extend the superannuation guarantee to the Commonwealth Paid Parental Leave scheme to help reduce the superannuation gap between men and women in retirement

## Placing care at the centre of our economy

Recent years have demonstrated how vital Australia's social infrastructure is to a strong economy and society. The care sector, largely powered by women, has been an important safety net for the economy, but this sector has been widely undervalued.

Australia's care sectors are encumbered by critical workforce shortages, high levels of insecure work and low pay. These challenges are exacerbated by the rising inflation and living costs currently experienced across the economy.

## Unlocking women's workforce participation and leadership

The National Skills Commission estimates the need for 1.2 million additional workers across the economy by 2026.<sup>1</sup> 87% of projected jobs growth will be in female dominated industries, including health and early childhood. A thriving care economy is vital to unlocking women's economic participation in other sectors and progressing gender equality.

CEW and Impact Economics and Policy research [Addressing Australia's Critical Skill Shortages: Unlocking Women's Economic Participation](#), demonstrates that women are an untapped workforce who can play a critical role in meeting these labour shortages.

- Halving the workforce participation gap between men and women would represent an additional 500,000 full-time skilled workers with post school qualifications.
- Engaging women in paid work at the same rate as men could unlock an additional one million full-time skilled workers in Australia.<sup>2</sup>

The economic model has changed, but the narrative about women's contribution has not. Households are now made up of two earners. The necessity of women's economic participation and contribution must be recognised and enabled.

Once a leader on gender equality, in 2022 Australia trails behind many of its peer nations in the Global Gender Gap Index,<sup>3</sup> ranking 43rd in the world.

- Whilst Australia is ranked equal 1st in the world for women's education, we rank 38th when it comes to economic participation and opportunity.<sup>4</sup>
- Australia faces a growing gender pay gap of 14.1%,<sup>5</sup> amounting to an equivalent of \$898 million per week in earnings.<sup>6</sup>
- Australia has one of the most gender segregated workforces in the world<sup>7</sup> and Australia's rate of female part-time employment is almost 10% higher than the OECD average.<sup>8</sup>
- The recent [CEW Senior Executive Census 2022](#) found that progress of women into the most senior leadership roles in the nation's top companies over the last six years has been negligible and in the last year representation has gone backwards.<sup>9</sup> In 2022, fewer ASX300 companies have gender balanced leadership teams than in the six years of the CEW Census. There are more ASX300 companies with no women in their senior executive leadership teams, or the roles that lead to CEO appointments.
- Monash University's recent Women's Health and Wellbeing scorecard found that at the current rate of change it will take over 200 years to achieve gender equality in Australia.<sup>10</sup>

The economics of household budgets has changed, but the narrative about the value of women's work has not. Systemic, structural and cultural factors perpetuate gender inequality in Australia. Key contributors to the gender pay gap have been identified as: gender discrimination, balancing caring responsibilities and workforce participation, high levels of part-time work undertaken by women and gender segregation by job type.<sup>11</sup> Inequality is even greater for First Nations women, women from migrant and refugee backgrounds, women with disability and people of marginalised genders who experience multiple, diverse, and intersecting forms of discrimination and disadvantage.



## Gender equality boosts productivity

Now is the time to put in place the foundational elements for sustainable change that will close the gender equality gaps and generate benefits for the economy at large. Intentional steps now and over coming years will build towards a gender equal Australia in 2030.

The return on investment in women and social infrastructure will be significant.

- Deloitte's recent report *'Breaking The Norm'* found that more flexible ideas around gender norms could lead to an additional \$128 billion each year for Australia's economy and 461,000 additional full-time employees.<sup>12</sup>
- By just increasing women's working hours by 2%, \$11 billion would be added to Australia's GDP.<sup>13</sup>
- The ACTU reports that \$111 billion can be generated every year by cutting gender inequality at work by half.<sup>14</sup>

CEW is conscious of the difficult economic climate. This submission makes recommendations for both immediate actions as well as long term reforms. The immediate actions address current work and care challenges in the economy and unlock women's workforce participation. These are investments in Australia's workforce and productivity which we cannot afford to defer.

To sustain these change in the long term legislation is needed to embed them institutionally. In international jurisdictions gender equality mechanisms have been legislated or structurally embedded to ensure they are not subject to political will.

### CEW calls on the Government to:

1. Embed a gender lens and gender responsive budgeting
2. Invest in well-paid, secure jobs in care sectors
3. Strengthen women's economic security throughout their life course by increasing Jobseeker and expanding superannuation for carers
4. Make quality early childhood education and care universal
5. Expand the Commonwealth Paid Parental Leave scheme to promote shared care
6. Make workplaces safe from sexual harassment

The evidence shows investment in gender equality is good for families, business and the economy.



**Susan  
Lloyd-Hurwitz**

President, Chief  
Executive Women



**Pauline Vamos**

Chair, Policy  
and Engagement  
Committee, Chief  
Executive Women

# Summary of Recommendations

## Recommendation 1 – Embed a gender lens and gender responsive budgeting

### Immediate Action

- Build on the Women’s Budget Statement by implementing gender responsive budgeting and gender impact analysis for policy
- Implement the Workforce Gender Equality Agency review recommendations

### Reform

- Set targets for government procurement processes to prioritise organisations with gender balanced leadership
- Strengthen corporate reporting requirements
- Under the National Strategy to Achieve Gender Equality, explore embedding gender equality institutionally through legislation, including for gender pay gap reporting and gender responsive budgeting.

Without a systematic process in place to understand the differential impact of policy decisions on women and men, policies can often produce unintended outcomes if intersectional factors like race, gender, disability and sexuality are not considered.

## Recommendation 2 – Invest in well-paid, secure jobs in care sectors

### Immediate Action

- To address critical workforce shortages and retention challenges in the early childhood sector in preparation for changes to the Child Care Subsidy, deliver an immediate interim 10% wage supplement for educators for the next 2-3 years until new funding and industrial instruments are in place from the Productivity Commission inquiry and Fair Work Act changes, as recommended by Thrive By Five and the Centre for Policy Development.

### Reform

- Invest in secure, well-paid, professional jobs in health, education and care industries
- Invest in wages in care sectors beyond aged care, with urgent action taken in early childhood sectors.

Greater provision of government-funded care services has been estimated to increase labour supply by over [2% - 70%](#) of whom would be women. When combined with higher wage growth in care sectors this has been estimated to contribute to 1.64% greater GDP in 2030.



## Recommendation 3 – Strengthen women’s economic security throughout their life course by increasing Jobseeker and expanding superannuation for carers

### Immediate Action

- Extend the superannuation guarantee to the Commonwealth paid parental leave (PPL) scheme to help reduce the superannuation gap between men and women in retirement
- Support women out of poverty and into work by increasing Jobseeker and Parenting Payment Single payments to at least pension levels with indexation
- Prioritise women’s housing and homelessness, particularly for older women who are increasingly at risk of [housing stress and homelessness](#).

### Reform

- Explore extending superannuation guarantee payments to time spent out of the workforce for caring responsibilities, such as a caring credits model as discussed by the Australian Human Rights Commission<sup>15</sup>
- Review the taxation and transfer systems with a gender lens to address high Effective Marginal Tax Rates (EMTRs) experienced by women and explore options to value care, such as KPMG’s Carers’ Income Tax Offset model.<sup>16</sup>

On average women retire with 47% less superannuation than men.

For every dollar of cash payments made to low-income households, [GDP is boosted](#) 60c-\$1.

## Recommendation 4 – Make quality early childhood education and care universal

### Immediate Action

- Remove the Child Care Subsidy Activity Test
- Deliver an immediate interim 10% wage supplement for educators for the next 2-3 years (see *recommendation 2*)

### Reform

- Build towards universal, free access for all children to quality, flexible ECEC; at the minimum three days of ECEC from when families need it, until children start school<sup>17</sup>
- Support an ECEC equal remuneration case being brought to the Fair Work Commission
- Ensure the *National Children’s Education and Care Workforce Strategy* addresses: low wages, working conditions, a sustainable workforce strategy for new educators, and investment in supply of government funded and not-for profit services in identified ‘childcare deserts’

The CCS Activity Test is contributing to at least 126,000 children from the poorest households [missing out](#) on early childhood education.



## Recommendation 5 – Expanded Commonwealth Paid Parental Leave (PPL) scheme to promote shared care

### Immediate Action

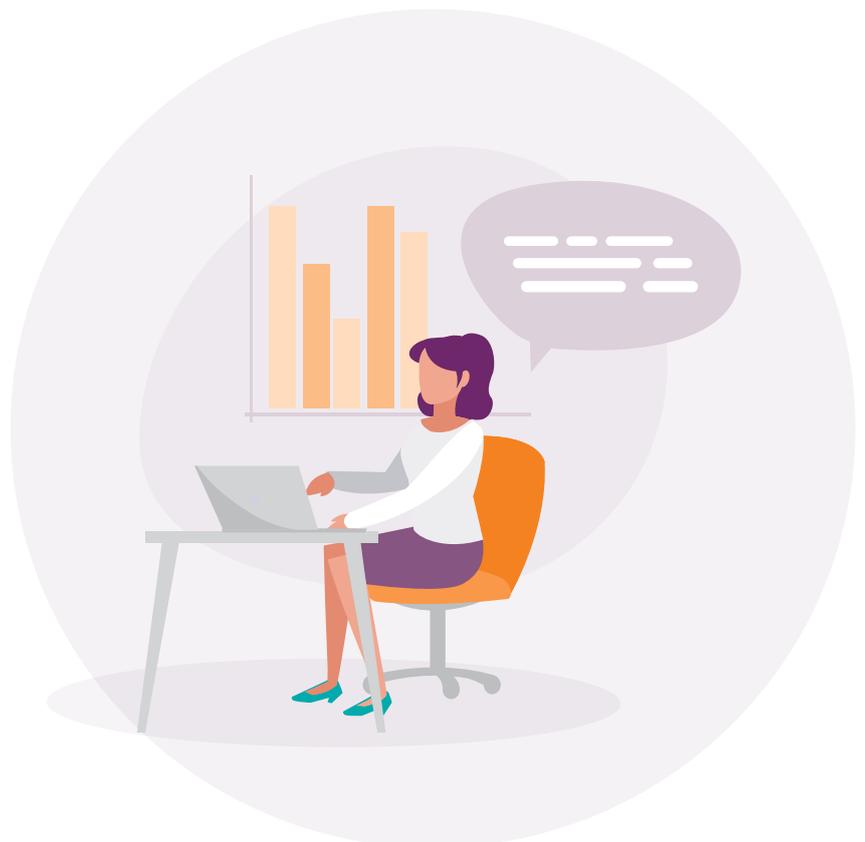
- Include a ‘use it or lose it’ provision in the 26 week Commonwealth PPL scheme to encourage parents to share the leave, and specifically to incentivise men to access PPL:
  - include a 6 week ‘use or lose it’ provision for each parent, plus 12 weeks to share between them as best suits their family
  - Offer a bonus two weeks leave (which can be used by either parent) if both parents take at least six weeks leave

### Reform

- Continue to expand the Commonwealth PPL scheme in line with best practice in other OECD nations

## Recommendation 6 – Make workplaces safe from sexual harassment

- Fully implement the *Set the Standard* Report recommendations
- Ensure the new National Plan to Eliminate Violence against Women and Girls supports inclusive diverse workplaces grounded in respectful cultures, which prevent and address sexual harassment in workplaces



# Recommendations

## Recommendation 1 – Embed a gender lens and gender responsive budgeting

### Immediate Action

- **Build on the Women’s Budget Statement by implementing gender responsive budgeting and gender impact analysis for policy**
- **Implement the Workforce Gender Equality Agency review recommendations**

### Reform

- **Set targets for government procurement processes to prioritise organisations with gender balanced leadership**
- **Strengthen corporate reporting requirements**
- **Under the National Strategy to Achieve Gender Equality, explore embedding gender equality institutionally through legislation, including for gender pay gap reporting and gender responsive budgeting**

By embedding a gender lens across policy and gender responsive budgeting, preferably in legislation, governments can identify how policies will impact women and girls and direct more coherent and strategic policy approaches to address gender equality. Gender responsive budgeting and adequate disaggregated data is crucial to support implementation of a new gender equality strategy.

Gender impact assessments ensure governments identify and address gendered impacts of initiatives prior to the enactment of legislation, appropriation of funds, or introduction of policy. Without a systematic process in place to understand the differential impact of policy decisions on women and men, policies can often produce unintended gendered outcomes.

For example, it will be important to review and adapt the Stage Three tax cuts to remove the gender unequal outcomes as identified in the Parliamentary Budget Office’s distributional analysis of the Stage Three tax cuts by gender.<sup>18</sup> Similarly it will be important to undertake rigorous gender impact analysis across all major policy reforms including but not limited to, all national partnership agreements, the Employment White Paper, Skills policies and programs, the new Disaster Relief Australia workforce, climate change responses, and Australia’s wellbeing framework.

Steps towards establishing gender responsive budgeting include:

- Establish a baseline understanding of existing gender-disaggregated data and collect and analyse additional gender disaggregated data, including on the members of the public who may be impacted by these policies.
- Initiate needs-based gender budgeting – that identifies and prioritises policies based on their ability to fulfill gender equality needs – this could be through pilot programs to establish a methodology
- Require and publish gender impact analysis alongside the budget papers<sup>19</sup>
- Invest in and strengthen capability across government to apply a gender lens to policy development and apply gender responsive budgeting

A comprehensive, whole-of-government application of a gender lens to consideration of all new policy proposals is required to deliver coherent, effective policy. To ensure the needs of different groups of women are considered, gender impact assessments must include an intersectional lens that recognises and addresses the differential impacts on diverse people, including First Nations women, migrant and refugee women, women with disability, LGBTIQ communities and women living in rural and remote communities.

Strengthening and enhancing WGEA's comprehensive data collection and reporting to drive action and progress will help close the gender gaps. This includes the gender pay gap, the gender gap in senior leadership roles in workplaces and the gender gap in workforce participation. Strengthening WGEA data collection, reporting, publication and compliance role will support corrective action by major organisations to progress gender equality in Australian workforces.

CEW supports a granular, relevant and fit-for-purpose dataset and reporting framework that includes: the publication of company gender pay gaps, collection of desegregated data (including intersectional data), stronger compliance mechanisms, and a more transparent picture of the gender composition at senior leadership levels – all of which the evidence suggests are critical to enabling real change on gender equality.

*The Sex Discrimination Act (1984)* has been amended to clarify that employers have a positive duty to take reasonable and proportionate measures to eliminate sex discrimination, sexual harassment and victimisation. The *WGEA Review Report* recommends that the token minimum standards currently in the Act be strengthened to support the elimination of sex discrimination. CEW recommends that the Commonwealth Government amend the WGEA instruments to set outcome-based minimum performance standards. Which would support the elimination of discrimination more broadly and would mean that the Sex Discrimination Commissioner and the Courts would have the same objective performance standards with which to assess individual workplace matters.<sup>20</sup>

Other OECD nations have legislated or structurally embedded gender equality to drive sustained, structural change. Victoria has passed a Gender Equality Act and recently the European Parliament has formally adopted legislation on gender balance on corporate boards.



## Recommendation 2 – Invest in well-paid, secure jobs in care sectors

### Immediate Action

- **To address critical workforce shortages and retention challenges in the ECEC sector in preparation for changes to the Child Care Subsidy, deliver an immediate interim 10% wage supplement for educators for the next 2-3 years until new funding and industrial instruments are in place from the Productivity Commission inquiry and Fair Work Act changes, as recommended by Thrive by Five and Centre for Policy Development**

### Reform

- **Invest in secure, well-paid, professional jobs in health, education and care industries**
- **Invest in wages in care sectors beyond aged care, with urgent action taken in early childhood sectors**

Recent years have demonstrated that Australia's social infrastructure and a stable, sustainable care sector are foundational for a strong economy and enabling women's workforce participation. However, care industries are facing critical workforce shortages, with the sector workforce characterised by low wages, high burnout and lack of secure employment opportunities, and struggling to attract and retain workers.<sup>21</sup>

For women, this is a double-edged sword. Approximately 80% of care sector roles are occupied by women, nearly half of which are employed part-time.<sup>22</sup> In addition, women shoulder a disproportionate amount of unpaid care work and rely on the care sector to enable their workforce participation in other industries. Women spend an average of four hours and 31 minutes a day on unpaid work, compared to men's three hours and 12 minutes.<sup>23</sup>

Data shows attrition rates in the care sector have risen markedly in the last two years. For example, Goodstart Early Learning has seen attrition rise from 14% to 24%, with exit surveys citing low pay, burnout and lack of professional recognition as the main reasons for leaving, with only 30% of employees intending to stay in the sector.<sup>24</sup> Experienced educators and teachers in early childhood earn up to 30% less than comparable roles in schools.<sup>25</sup>

CEW welcomed the Cheaper Childcare Bill reforms to the Child Care Subsidy, which are set to take effect by the 1st of July 2023. Current workforce shortages must be addressed to ensure the sector is equipped to meet increased demand. The Grattan Institute estimated this will result in an 8% increase in the hours worked by second-income earners with young children, or around 222,000 extra hours worked a week.<sup>26</sup> However, to enable these extra working hours it is estimated that the equivalent of 9,650 additional full-time educators will be needed.<sup>27</sup>

Of the Government's \$5.4 billion plan for Cheaper Childcare, \$4.6 billion was allocated in the 2022 October Federal Budget. CEW calls on the Government to utilise additional committed funds to deliver an interim wage supplement to educators.<sup>28</sup>

Both State and Commonwealth governments can play an important role in ensuring decent wages and secure employment for the care workforce, including teachers and nurses. These industries require strong professional pipelines, where young workers are excited to build their career. Investment in the care sector will help address the persistent gender pay gap and workforce participation gap in Australia for a diversity of women, noting significant numbers of migrant and refugee women work in these sectors. Investment in the care sectors will create jobs, boost the economy and ultimately lead to resilient sectors better equipped to meet the demand and respond in times of crisis.

## Recommendation 3 – Strengthen women’s economic security throughout their life course by increasing Jobseeker and expanding superannuation for carers

### Immediate Action

- **Extend the superannuation guarantee to the Commonwealth PPL scheme to help reduce the superannuation gap between men and women in retirement**
- **Support women out of poverty and into work by:**
  - **increasing Jobseeker and Parenting Payment Single payments to at least pension levels with indexation**
  - **extending income support to temporary visa holders, people seeking asylum and international students<sup>29</sup>**
- **Prioritise women’s housing and homelessness, particularly for older women until structural barriers to their economic security in retirement are addressed**

### Reform

- **Explore extending superannuation guarantee payments to time spent out of the workforce for caring responsibilities, such as a caring credits model as discussed by the Australian Human Rights Commission**
- **Review the taxation and transfer systems with a gender lens to address high Effective Marginal Tax Rates (EMTRs) experienced by women and explore options to value care, such as KPMG’s Carers’ Income Tax Offset model<sup>30</sup>**

### *Economic security into retirement*

Older women are increasingly at risk of retiring into poverty in Australia, with the face of homelessness an older woman.

- On average women retire with 47% less superannuation than men, while living five years longer<sup>31</sup>
- Approximately 40% of older single retired women live in poverty and experience economic insecurity<sup>32</sup>
- The rate of older women experiencing, or at risk of, homelessness has increased by 30% in the last five years<sup>33</sup>

Women’s financial security across their life course is significantly impacted by the time they take out of paid work to care for others. KPMG’s report [She’s Price\(d\)less](#) found that one third of the gender pay gap can be attributed to the time women spend outside of the work force undertaking unpaid care.<sup>34</sup>

Within the current superannuation system, there is an in-built gender bias which assumes continuous work history to accumulate sufficient funds for retirement to live without pension support. This does not reflect women’s experiences of missing out on crucial years of superannuation accumulation due to career breaks to undertake unpaid care work.<sup>35</sup> As a nation we must recognise and value unpaid work and caring responsibilities and the vast contribution that carers make to our society and economy.

CEW recommends an approach to retirement savings that addresses carers’ foregone earnings from interrupted work arrangements. CEW calls for the Superannuation Guarantee to be applied to the Commonwealth PPL scheme. It is a critical step in safeguarding women’s economic security and ensures parents’ superannuation continues to grow while on parental leave, with its impact compounding over the course of their careers to deliver real benefits in retirement. Parental Leave continues to be one of the few types of leave yet to attract superannuation.

CEW recommends extending superannuation guarantee payments to time spent out of the workforce for caring responsibilities. These payments ensure carers are not disadvantaged and left financially insecure in retirement. A 'caring credits' model is discussed by the Australian Human Rights Commission report [Investing in care: Recognising and valuing those who care](#) and has been adopted in different forms in many OECD nations.<sup>36</sup>

Professor Miranda Stewart found that Australia's well-educated female labour force is underutilised because women continue to experience high EMTRs and punishing disincentives in the tax and transfer system.<sup>37</sup> KPMG's report [Towards a new and improved era in women's equality: Valuing unpaid work](#) recommends a Carers' Income Tax Offset model to recognise the significant contribution of carers, encourage their workforce participation and provide them greater financial security.

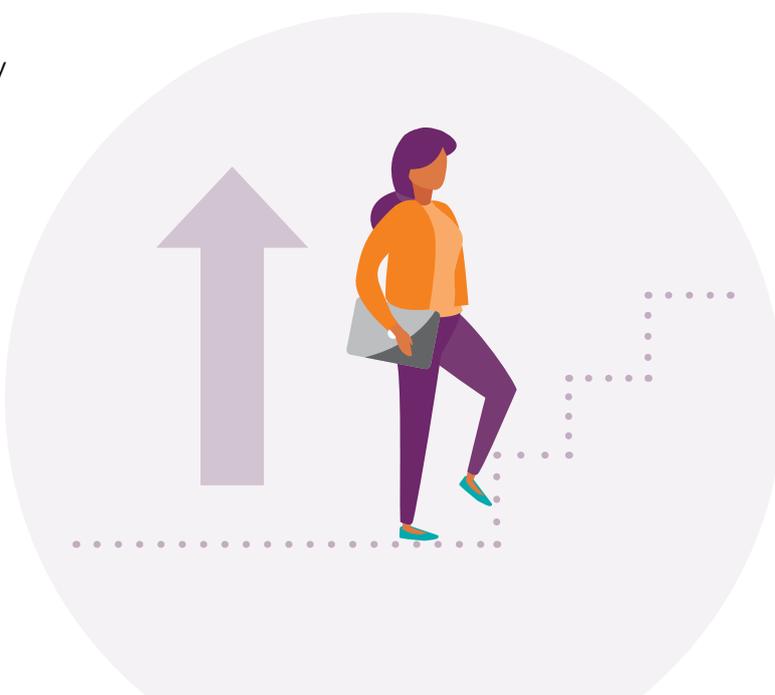
#### *Supporting women out of poverty and into work*

CEW recommends permanently increasing Jobseeker and Parenting Payment Single payments rates to be consistent with pension levels with indexation, which is approximately \$73 dollars a day.<sup>38</sup> Income support payments have not kept pace with increased cost of living. This limited payment has prevented recipients moving out of poverty and being enabled to meet the costs of searching for work.

- The Grattan Institute has identified that for every dollar of cash payments made to low-income households, GDP is boosted between 60c and one dollar<sup>39</sup>

- Research indicates this increase would result in \$3.3 billion worth of extra spending by consumers, and 12,000 new jobs added<sup>40</sup>
- Although 60% of the women who have left violent relationships are employed, their earnings are insufficient to support their families and 50% of them rely on government payments as their main source of income.<sup>41</sup> Data shows many of these women could not pay their bills, heat their houses or register their cars, and more than 17,000 women went without meals.<sup>42</sup> Reinstating the Parenting Payment Single allowance will support these women.<sup>43</sup>

In Anne Summer's report, *The Choice, Violence or Poverty* she notes that Government policy, through the current National Plan to Reduce Violence Against Women and their Children 2010–2022 is to encourage and support women to leave violent relationships.<sup>44</sup> However, government policy, through support payments and other welfare measures ensures that as many as half the women who choose to leave will end up in poverty. Summers found that 50% of single mothers rely on government payments for their income, leading to 'policy induced poverty'.



## Recommendation 4 – Make quality early childhood education and care universal

### Immediate Action

- **Remove the Child Care Subsidy Activity Test**
- **Deliver an immediate interim 10% wage supplement for educators for the next 2-3 years (see recommendation 2)**

### Reform

- **Build towards universal, free access for all children to quality, flexible ECEC by 2030; at the minimum three days of ECEC from when families need it, until children start school<sup>45</sup>**
- **Support an ECEC equal remuneration case being brought to the Fair Work Commission**
- **Ensure the National Children’s Education and Care Workforce Strategy addresses: low wages, working conditions, a sustainable workforce strategy for new educators, and investment in supply of government funded and not-for profit services in identified ‘childcare deserts’**

Australia is facing critical skills and labor shortages. As Australia rebuilds its economic capacity, we can realise the potential of the most highly educated female population in the world, by removing barriers to parents’ participation in the workforce. Affordable and accessible ECEC is a key enabler of parents’ workforce participation. In addition, the Centre for Policy Development found that three days of free or low-cost quality early education from birth until school means all children will benefit, ensuring long-term positive impact on our community and economy.<sup>46</sup>

ECEC is a significant cost of living pressure on families and the current system creates financial disincentives to workforce participation. In 2021, the Productivity Commission reported that more than 90,000 Australian parents stayed out of the workforce because the cost of ECEC was too high.<sup>47</sup>

CEW commends the Cheaper Child Care legislation expanding the Child Care Subsidy to address affordability. However, the benefits of this will be limited by the operation of the Child Care Subsidy Activity Test.

- The Activity Test currently contributes to at least 126,000 children from families in the lowest socio-economic bands missing out on critical ECEC.<sup>48</sup>

The Activity Test marginalises families who would benefit from the subsidy the most.<sup>49</sup> While the Activity Test has been a consistent feature of the early childhood system, the 2018 Child Care package cut the minimum amount of care that low-income families are entitled to from two to one day a week. Vulnerable family groups (when compared to families earning over \$200, 000 a year) are more likely to have their access to early childhood limited by the Activity Test.

Impact Economics and Policy found:

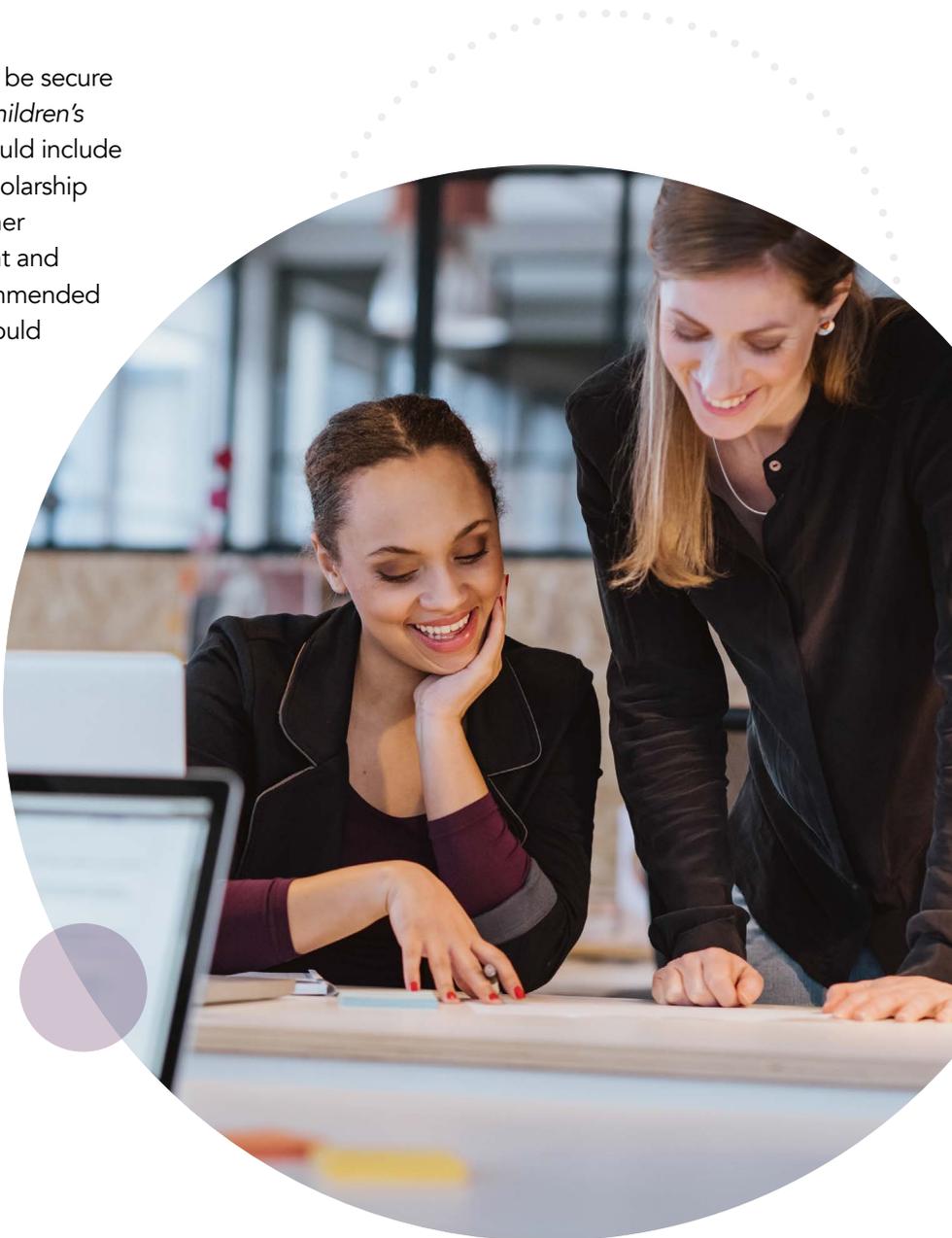
- Single parent families are over 3 x more likely to be limited to one day of subsidised ECEC/wk
- First Nations families are 5 x more likely
- Non-English speaking families and low-income families are 6 x more likely<sup>50</sup>

CEW supports the removal of the Activity Test to ensure such structural barriers to accessing necessary ECEC services are removed.

The pandemic has demonstrated how a stable and sustainable ECEC sector is a structural foundation of a functioning economy. The Commonwealth Government can address the shortage of qualified teachers and early childhood educators impacting on the supply of accessible and affordable ECEC. The ECEC sector is facing several pressing issues. The pipeline of new teachers and educators into the sector is constrained by both a two-year migration pause and a decline in commencements in VET and University ECEC courses. Centres are struggling to attract and retain sufficient educators, with staffing waivers in the sector doubling over the last three years.<sup>51</sup>

For a sustainable ECEC sector, careers must be secure and have clear progression. The *National Children's Education and Care Workforce Strategy* should include free or subsidised VET courses in ECEC, scholarship programs for educators to upgrade to teacher qualifications, and professional development and wellbeing programs for educators. As recommended by the Centre for Policy Development, it should include improved wages for low-paid ECEC roles, with an immediate interim 10% wage supplement for educators.<sup>52</sup> CEW encourages the Commonwealth Government to commit to the Starting Better Guarantee.<sup>53</sup>

The federal government can address 'childcare deserts', where ECEC is not readily available or affordable, by investing in provision of government funded and not-for-profit centres.<sup>54</sup> These services should reflect diverse communities and their needs, including First Nations run and owned, culturally safe ECEC services for First Nations communities.



## Recommendation 5 – Enhance the Commonwealth Paid Parental Leave scheme to promote shared care

### Immediate Action

- **Include a ‘use it or lose it’ provision in the 26 week Commonwealth PPL scheme to encourage parents to share the leave, and specifically to incentivise men to access PPL:**
  - **include a 6 week ‘use or lose it’ provision for each parent, plus 12 weeks to share between them as best suits their family**
  - **Offer a bonus two weeks leave (which can be used by either parent) if both parents take at least six weeks leave**

### Reform

**Continue to expand the Commonwealth PPL scheme in line with best practice in other OECD nations**

Currently, 88% of parental leave is taken by women. On average, men continue to earn more than women. Whilst the Commonwealth PPL scheme is paid at minimum wage, rather than replacement wage, ‘use it or lose it’ provisions will be essential to increase men’s uptake. These provisions are important given the highly prevalent gender norms that drive gender segregation in workplaces and in care.

We know from international experience that the key to men taking parental leave is a ‘use it or lose it’ component.

In Denmark ‘use it or lose it’ provisions saw a significant increase in men’s uptake of parental leave and men were more likely to continue shared care of their children throughout the early years.<sup>55</sup> Here in Australia, the private sector is leading the way – with many businesses investing in expanded parental leave for both men and women with arrangements to actively encourage men’s uptake.

Encouraging men to take up parental leave normalises flexible work and shared care responsibilities, unlocking women’s workforce participation and strengthening their financial security.



## Recommendation 6 – Make workplaces safe from sexual harassment

### Immediate Action

- **Fully implement the Set the Standard Report recommendations.**
- **Ensure the new National Plan to Eliminate Violence against Women and Girls supports inclusive diverse workplaces grounded in respectful cultures, which prevent and address sexual harassment in workplaces.**

Recent reviews of Australian workplaces and federal parliament have revealed a shocking and pervasive level of sexual harassment, with almost two in five women (39%) and just over one in four men (26%) having experienced workplace sexual harassment in the previous five years.<sup>56</sup>

Price Waterhouse Coopers has estimated that violence against women in Australia imposes a financial cost of \$21.7 billion a year, with victims/survivors bearing the main burden of this cost.<sup>57</sup> If appropriate action is not taken, this toll could rise to \$323.4 billion by 2045.<sup>58</sup>

Taking serious and committed action to prevent and address gender-based violence is a critical priority for CEW. Domestic and family violence, sexual assault, sexual harassment and other forms of gender-based violence, are a key barrier to women's workforce participation and negatively impact women's economic security as well as women's personal health and well-being. We all deserve to have workplaces that are safe, respectful and inclusive.

The Workplace Gender Equality Agency and Bankwest Curtin Economics Centre report *Gender Insights 2020: Delivering the Business Outcomes* demonstrates the strong and convincing causal relationship between an increase in the number of women in key decision-making positions and improvements in company performance. It found that more women in senior leadership delivers the needed cultural change.<sup>59</sup>

CEW's [Respect is Everyone's Business](#) resources support Boards and senior executive teams in business to implement the *Respect@Work* recommendations, such as the positive duty on employers.



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