

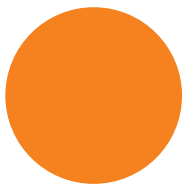
Chief Executive Women



**CEW National
Gender Equality
Strategy Submission**



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



About CEW

Women leaders empowering all women

Chief Executive Women's (CEW) shared purpose is 'women leaders empowering all women'. CEW's over 1000 members represents Australia's most senior and distinguished women leaders across business, academia, government, sport, 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. Member's 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.



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.

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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 will be a force for change with the Australian Government to restore Australia as a world leader on gender equality to drive performance

Susan Lloyd-Hurwitz

President, CEW



Focus of National Strategy to Achieve Gender Equality

CEW members, as business and community leaders, drive change to realise a vision of:

- **Having diverse women leaders at every decision-making table**
- **Enabling women's workforce participation across all sectors**
- **Ensuring women are economically secure and free from violence across their life course**
- **Embedding workplace flexibility for men and women to work and care for family.**

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.

CEW has welcomed the Commonwealth Government's commitment to policy and implementation of reform that recognises that gender equality and enabling women's contribution are vital to Australia's economic prosperity. CEW celebrates the introduction of the National Strategy to Achieve Gender Equality (the Strategy) as best practice in gender equity.

Foundational Principles for National Strategy to Achieve Gender Equality:

- Clear and measurable goals and targets
- Focus on long term success as well as short term measures
- Human rights based
- Alignment with First Nations communities through the Constitutionally enshrined Voice to Parliament
- Intersectional lens
- Lifecycle approach
- Operate as a living document
- Cross sectoral participation
- Involve whole of government
- Link to the United Nations Sustainable Development Goals

CEW supports the recommendations of the Women's Economic Equality Taskforce, as set out in the Taskforce's [letter](#) to Minister Gallagher.

CEW understands that the key goals and outcomes of the Strategy are cultural and social change, equitable health, economic equality, and safety and justice for all. As such, 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.

Australia is falling behind

Once a leader on gender equality, in 2022 Australia trails behind many of its peer nations in the [Global Gender Gap Index](#) ranking 43rd in the world.

As a nation Australia is squandering our investment in human capital – highly educated, skilled women. Current policy settings around work and care constrain women's choices.

- Whilst Australia is ranked 4th in the OECD for [women's tertiary education](#), we rank 38th when it comes to economic participation and opportunity.
- Australia faces a gender pay gap of [13.3%](#), women on average make \$253.50 less than men every single week as a result of gender.
- Australia has one of the most [gender segregated workforces](#) in the world and Australia's rate of female [part time employment](#) is almost 10% higher than the OECD average.
- The 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. At the current rate of change it could take 100 years to achieve gender balance in CEO roles.

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. 87% of projected jobs growth will be in female dominated industries, including health and early childhood.

[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.

Placing care at the centre of our economy

A thriving and supported social infrastructure is vital for the success of Australia as a whole. The recent Covid-19 pandemic, natural disasters and economic challenges showed us how vital care work is. The care sector, largely powered by women, has been an important safety net for the entire economy. Unfortunately, this sector has been widely undervalued.

The economics of the household budget has changed, but the narrative about the value of women's work has not.

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. A thriving care economy is vital to unlocking women's economic participation in other sectors and progressing gender equality.

Gender equality boosts productivity

We have an opportunity to create the foundation for sustainable change and close the gender equality gap for the good of all. Systemic, structural and cultural factors perpetuate gender inequality in Australia. 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.
- By just increasing women's working hours by 2%, [\\$11 billion](#) would be added to Australia's GDP.
- [The ACTU reports](#) that \$111 billion can be generated every year by cutting gender inequality at work by half.



At this rate of change it could take 100 years to achieve gender balance in CEO roles.



It could be 2058 before there is gender balance in line roles.

CEW calls on the Government to:

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

CEW is conscious of the difficult economic climate. The Strategy must include both immediate actions as well as long term reforms. The immediate actions recommended 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.

Sustainable, long term change requires institutional change. International best practice teaches us that gender equality mechanisms have been legislated or structurally embedded to ensure they are not subject to political will.



Susan Lloyd Hurwitz
President, CEW



Pauline Vamos
Chair, Policy and Engagement Committee, CEW

Summary of Recommendations

Foundational Principles for National Strategy to Achieve Gender Equality:

- Clear and measurable goals and targets
- Focus on long term success as well as short term measures
- Human rights based
- Intersectional lens
- Lifecycle approach
- Operate as a living document
- Cross sectoral participation
- Involve whole of government
- Link to the United Nations Sustainable Development Goals

Recommendation 1: Embed a gender lens and gender responsive budgeting

Recommendation 2: Make quality early childhood education and care universal

Recommendation 3: Strengthen women's economic security throughout their life course by increasing Jobseeker, and expanding superannuation for carers

Recommendation 4: Invest in well-paid, secure jobs in care sectors

Recommendation 5: Expand the Commonwealth Paid Parental Leave scheme to promote shared care

Recommendation 6: Make workplaces safe from sexual harassment



Recommendation 1

Embed a gender lens and gender responsive budgeting

Immediate action

- Implementing gender responsive budgeting and gender impact analysis across policy development
- Ensure that all gender responsive budgeting processes are embedded holistically across government with investment in capability building
- Strengthen corporate reporting requirements, including prioritising the WGEA reforms to collect desegregated data
- Increase funding for the National Women's Alliances
- Review and adapt the Stage Three tax cuts to remove the gender unequal outcomes, as identified by the Parliamentary Budget office distributional analysis

Reform:

- Set targets for government procurement processes to prioritise organisations with gender balanced leadership
- Embed gender equality institutionally through legislation, including for gender pay gap reporting and gender responsive budgeting.
- Encourage companies to implement gender balanced targets and set KPIs against gender equality objectives

Gender responsive budgeting and adequate disaggregated data is crucial to support implementation of a new gender equality strategy. 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 avoid unintended gendered outcomes. Acting as an important tool to direct more coherent and strategic policy approaches to address gender equality. 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.

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.

CEW welcomed the robust Women's Budget Statement 2023 recognising gender equality and investment in care as essential for strengthening our economy, and Australia at large, and committing to embed gender responsive budgeting across the budget processes

Steps towards establishing gender responsive budgeting include:

- Establishing 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 fulfil gender equality needs - this could be through pilot programs to establish a methodology
- Require and publish gender impact analyses alongside the budget papers
- Invest in and strengthen capability across government to apply a gender lens to policy development and apply gender responsive budgeting
- Legislate Gender-responsive public procurement (GRPP): GRPP is procurement that promotes gender equality through the purchase of works, supplies or services by public sector bodies

International Context

The United Nation's 1995 Beijing Platform for Action called for integrating a gender perspective into government budgeting processes. The 2015 UN's Sustainable Development Goals (SDG's) called for adequate resources and tools to track budget allocations for gender equality. In 2020, G20-Women, called for greater investment in GB to ensure that fiscal policies advance gender equality in the short and long-term recovery from the COVID-19 crisis.

Gender responsive budgeting is international best practice, and Australia can look to international examples about how best to implement it. In France the Gender Budget Statement assesses fiscal policies and the budget from a gender perspective and presents the programs that contribute to gender equality with their budgets and contains some performance indicators. In Mexico by law the National Development Plan must be formulated with a cross-cutting gender perspective. A gender perspective has been incorporated into the program structure, and gender-related indicators into the performance evaluation system with in-year and end-year reporting.

Other OECD nations have legislated or structurally embedded gender equality to drive sustained, structural change. Recently the European Parliament has formally adopted legislation on gender balance on corporate boards.

An Australian Example

The Victorian Gender Equality Strategy and the Gender Equality Act (2021) lead by the Commission for Gender Equality sets a strong example of how gender responsive budgeting can be applied in Australia, embedding gender equality into everyday practice.

The Gender Equality Act (2021) obligates public entities and local councils to embed strong governance structures to improve and promote gender equality. Requiring defined entities to develop a Gender Equality Action Plan, conduct a workplace gender audit, submitted to the Commission for Gender Equality in the Public Sector. The Victorian Government has published Gender Budget Statements since 2017-2018, introducing gender impact analysis in policy, budgets and service delivery. The Act has introduced gender ethical procurement policies in relation to contracted organisations, suppliers and funded agencies, to encourage and promote gender equality within procurement and supply chain.

Procurement

Procurement is a foundational element to gender responsive budgeting. Women hold only 5% of the top-level supply chain positions in Fortune 500 companies. A 2019 study found that, in the US and Western Europe, where procurement organisations are the most advanced, 20% of the top 60 listed companies have a woman as chief procurement officer (CPO). In France, more than 30 women were promoted to the role of CPO over a period of 18 months, representing an increase of more than 30% compared to 2015. The European Commission explicitly states in its gender equality strategy for 2020–2025 that 'the Commission's guidance on socially responsible public procurement will fight discrimination and promote gender equality in public tenders '.



Gender Balanced Targets

Women are underrepresented in leadership roles across Australian industries, despite many formal commitments to increase diversity and inclusion. There is a clear case that gender balance targets work. The CEW Senior Executive Census found that the majority of the companies that have reached gender balance have set 40:40 or better targets and are on their way to meeting them. Most companies that lost gender balance last year had not set an explicit target.

CEW has found that true leadership parity is dependent on structural change, including committed and accountable executives, commitments that translate into action, targeted talent management, deliberate and long term succession plans and equitable recruiting. CEW is calling on the Federal Government to encourage employers to set KPIs against gender equality objectives so more organisations will prioritise action to close the gender pay gap at all levels and recognise women's leadership capabilities.

Six years of WGEA data shows that employers who take remedial action, implementing policies and strategies, deliver stronger outcomes in gender balanced leadership, pay equity and workplace flexibility. Enhancement of the regulatory reporting framework will encourage more employers to develop gender equality policies and strategies with targets, timeframes and incentives for advancing gender equality outcomes in the organisation.

Targets set by the AICD and 30% Club Australia in 2015 to increase the number of female directors in the ASX200 have been very successful, with an increase from 19% to 33.7% at the end of August 2021. Targets are not a new approach, and have long been applied in the public sector. Setting targets has boosted the ranks of women senior executives (SES) from 26.8% in 2001 to 50% in 2021.

We have seen gender parity quotas change the face of business and politics internationally. In Belgium the revolutionary Tobback-Smet Act led to an increase in the proportion of female members of parliament from 16% in 1999 to 38% in 2007. Under the Act, political parties were required to fill at least one third of their electoral lists with members of the underrepresented gender group, in this case, women. In 2014, women consisted of 41% of the Chamber of representatives, 44% of the Flemish parliament and 50% of the senate. Comparatively, the equivalent figure in Japan is 9.5%. Quotas also impact the business world in Belgium, in 2011, Belgium's largest publicly traded companies and certain state-owned or -controlled entities are required that at least one-third (+- 33%) of the entity's directors be of a different gender than other members of the board. Appointments made in violation of the law are void. Financial penalties may also apply to benefits of board members of publicly listed companies. The number of women on boards went from 8.2% to 34.1% between 2008 and 2020, in 2020 98.2% of companies met the requirement.

Stage Three Tax Cuts

With the large scale up of gender responsive budgeting, it will be important to review and adapt the Stage Three tax cuts. Removing the gender unequal outcomes as identified in the Parliamentary Budget Office's distributional analysis of the Stage Three tax cuts by gender.

Professor Miranda Stewart said "The Stage 3 tax cuts permanently flatten the income tax rate structure. The removal of the 37% bracket delivers a permanent tax cut to top income earners, mostly men. This makes the structural fiscal deficit worse, with a substantial fiscal cost without efficiency and equity benefits."

Continuing to strengthen the Workplace Gender Equality Agency

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. This 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 against which to assess individual workplace matters.

Recommendation 2

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
- 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'

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 parent workforce participation. Additionally, 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.

ECEC is a significant cost of living pressure on families and the current system creates financial disincentives to workforce participation. Impact Economics found that 264 000 women in households with children under 5 are not participating in the workforce and cite childcare as a barrier. CEW supports the WEET's recommendation to abolish the Childcare Subsidy Activity Test.

Remove the Child Care Subsidy Activity Test

CEW commends the Cheaper Child Care legislation expanding the Child Care Subsidy to address affordability. Through the Cheaper Childcare legislation, subsidy rates will be lifted for 97% of families who earn less than \$530 000. 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. The Activity Test marginalises families who would benefit from the subsidy the most.

Reducing search costs for women with young children through abolishing the Activity Test could increase participation of mothers with children under 5 years of age by 39,620 and increase GDP by up to \$4.5 billion per year. 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. The impact of the Activity Test is deeply gendered and directly contributes to economic insecurity for women across their life course.

The direct costs to Government of abolishing the Activity Test are estimated at \$1,306 million in 2023-24. This is well below the gains to GDP, and would be offset by higher taxation receipts and lower government payments. This cost could be easily remunerated through the increase of women's workforce participation. By just increasing women's working hours by 2%, \$11 billion would be added to Australia's GDP.

Compared to countries that perform at the top of the OECD for female participation, Australia has less generous maternity and paternity leave and a higher cost of childcare. The imposition of an Activity Test to access subsidized early childhood education and care does not feature in countries with high levels of maternal labour force participation



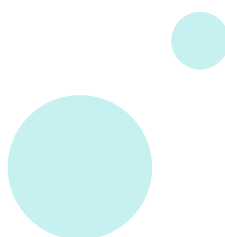
Support a thriving and sustainable ECEC workforce

Evidence shows that the provision of quality ECEC plays a crucial role in improving children's cognitive, social and educational development from an early age. ECEC participation can be an effective tool for achieving educational equity for children in disadvantaged situations. The Government has signaled their support to supporting a robust ECEC workforce, allocating \$72.4 million to support the professional development of early childhood educators. There are also means to provide financial assistance to educators to complete the practicum required for a Bachelor or Master's degree in Early Childhood Education.

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.

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. CEW encourages the Commonwealth Government to commit to the Starting Better Guarantee.

The Federal Government has begun to address 'childcare deserts', where ECEC is not readily available or affordable, by investing in provision of government funded and not-for-profit centres. \$18 million has been allocated towards new centres in childcare deserts, with grants up to \$900 000 to establish new early childhood education and care facilities in areas of limited supply. These services should reflect diverse communities and their needs, including First Nations run and owned, culturally safe ECEC services for First Nations communities.



Recommendation 3

Strengthen women's economic security throughout their life course

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 through increasing JobSeeker payment rates to 90% of the aged pension in line with recommendations of the Economic Inclusion Advisory Committee, which is approximately \$68 a day
- Prioritise women's housing and homelessness, particularly for older women

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](#)

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
- Approximately 40% of older single retired women live in poverty and experience economic insecurity
- The rate of older women experiencing, or at risk of, homelessness has increased by 30% in the last five years.

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.

Despite having higher educational attainment than men, women are more likely to be working part-time, below their capacity, and in precarious employment. The gender pay gap remains entrenched, and it not only reflects a lack of equal pay for equal work, it also persistently reflects a premium paid in male-dominated industries compared to female-dominated.

CEW commends the abolishment of the ParentsNext Program and the extending of the Single Parent Payment until youngest child turns 14.

CEW welcomed the Jobseeker increase for people over 55 who have been on the payment for a continuous nine months. This is a welcome change that will positively impact vulnerable people. People aged 55 – 64 are the age group most reliant on Newstart, and the age group that remains on the payment longest. The overall Jobseeker rate should be increase in line with recommendations of the Economic Inclusion Advisory Committee.

JobSeeker 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.

Superannuation for carers

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. 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. This ensures parents' superannuation continues to grow while on parental leave, with its impact compounding over the course of their careers. Parental Leave continues to be one of the few types of leave yet to attract superannuation. Paying superannuation on PPL invests in women's economic security throughout their life course without causing an inflationary risk.

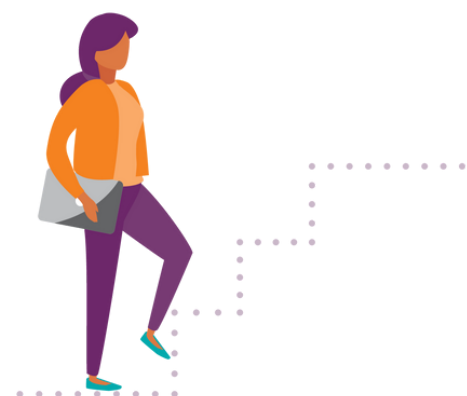
CEW recommends extending superannuation guarantee payments to time spent out of the workforce for caring responsibilities. These payments ensure carers are not disadvantaged and left financially insecure in retirement. A 'caring credits' model is discussed by the Australian Human Rights Commission report and has been adopted in different forms in many OECD nations.

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. KPMG's report recommends a Carers' Income Tax Offset model to recognise the significant contribution of carers, encourage their workforce participation and provide them greater financial security.

ASFA has noted, that with an aging population 'the design of Australia's retirement income system will ensure its fiscal sustainability... Australia's superannuation system will boost private retirement savings and help contain Age Pension spending.'

Prioritise women's housing

There has been an alarming increase in older women's experiencing poverty and at risk of housing stress and homelessness. After single parent households, older women are both the poorest household type and the most likely to be dependent on income support. People aged 55 – 64 are the age group most reliant on Newstart, and the age group that remains on the payment longest. Older women suffer the most, spending an average of 191 weeks (over 3 ½ years) on the payment. 70% of employed older women expressed financial pressure to continue in the workforce, with 300,000 women requiring multiple jobs. CEW recommends a priority focus on older women's housing needs.



Recommendation 4

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, 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.
- Implement the recommendations of the Work and Care Inquiry

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. The May 2023 Budget had a strong acknowledgement of the importance of the care economy, including funding a 15% interim pay rise for workers in aged care.

For women, this is a double-edged sword. Approximately 80% of care sector roles are occupied by women, nearly half of whom are employed part-time. 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.

Invest in wages

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. Experienced educators and teachers in early childhood earn up to 30% less than comparable roles in schools.

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. However, to enable these extra working hours it is estimated that the equivalent of 9, 650 additional full-time educators will be needed.

Address critical workforce shortages and retention challenges in the ECEC sector

Policy and funding instruments should reinforce that ECEC must be high quality to shift child outcomes and that a professional, capable workforce is crucial to delivering quality, with a reformed finance instrument that creates incentives for quality and inclusion and that delivers and maintains wages and conditions for early childhood educators that is comparable to educators in schools. It must provide a mechanism to fund a wage increase delivered under the Governments Multi-employer Bargaining or as directed by Fair Work.

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. CEW welcomed the investment in training and reskilling in Early Childhood Education and Care in the May Federal Budget. with \$72.6 million allocated to support for backfilling positions while workers undergo training, with a focus on reskilling and training particularly in regional and remote areas.

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 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 it 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. [Denmark's successful implementation](#) of '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 their early years. [International best practice](#) shows that government schemes designed to encourage a more gender equal sharing of primary carer leave, including father/partner quotas and other incentives has positively impacted women's economic participation and is in the best interest of the child.

Encouraging men to take up parental leave normalises flexible work and shared care responsibilities, unlocking women's workforce participation and strengthening their financial security. However, in order for this policy change to have the biggest impact, entrenched social norms around parenthood and work must be addressed. In Japan, fathers can take up to a year off- two-thirds of it with full pay – after the birth of a child. But few, if any, men use the benefit. [OECD figures](#) show only around 3% of Japanese fathers take any paternity leave. The OECD says "societal norms and culture" account for the ultra-low uptake of parental rights in Japan. Truly innovative policy change must account for social norm change and provide a supportive environment to accommodate it. Australia must also shift its structural influences and gender norms of masculinity to ensure that even with improvements and an extended paid parental leave, they are taken.

Australia can look to the private sector for best practice policy, with many businesses investing in expanded parental leave for both men and women, with arrangements that actively encourage men's uptake.

Enhancing the Commonwealth Paid Parental Leave scheme to promote shared care supports Australian families, promotes women's economic participation and all evidence suggests that it would boost Australia's economy as a whole.

Recommendation 6

Ensure that women are free from violence across their life course

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.

Reform:

- Make workplaces safe from sexual harassment
- Respond to violence against women and their children as an economic imperative.

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.

PWC 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. If appropriate action is not taken, this toll could rise to \$323.4 billion by 2045.

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.

As the highest form of power and influence in Australia, Parliament has a particular responsibility to model gender equality and safety in the workplace.

The Workplace Gender Equality Agency and Bankwest Curtin Economics Centre report 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. 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.

It is also vital to understand that the elimination of violence against women and children, is not only a physical safety and social priority, but an economic one too. The cost of violence against women is high and increasing in Australia. PWC estimated that violence against women costs \$21.7 billion a year, with victims bearing the primary burden of this cost. Governments (Federal and State and Territory) bear the second biggest cost burden, estimated at \$7.8 billion a year, comprising health, administration and social welfare costs. If no further action is taken to prevent violence against women, they estimate that costs will accumulate to \$323.4 billion over a thirty year period from 2014-15 to 2044-45. They estimated that if similar reductions in violence were achieved as in prevention programs overseas, the benefits would range from \$37.8 billion to \$74.7 billion over a lifetime.

There is opportunity for governments to invest in preventing violence before it occurs. Evidence from other countries shows that there are significant benefits from investing in prevention. CEW recommends implementing the recommendations in the second National Plan to eliminate violence against women and their children into the National strategy. Including the adoption of measurable targets and outcomes. Made up of both short and medium term goals as well as generational reform strategies. One of the most tangible ways of measuring this is the creation of an inventory of diverse and gender disaggregated core data sets used to inform national policy design across government.

CEW welcomed the Federal Government allocating \$326.7 million over 4 years for the National Plan to End Violence against women and children. As well as an additional \$194 million over 5 years for First Nations Women including support for stand alone Plan for First Nations women. This focus on violence against women is important, particularly the \$134.1 million over 4 years for the Office of the eSafety Commissioner whose role is to improve safety outcomes for Australians online, including women's safety online. A key area of focus for the eSafety Commissioner includes addressing technology-facilitated abuse and supporting victim-survivors. While this is a vital first step, this funding falls short of what peak bodies in the domestic violence space have indicated is needed to address the crisis of violence against women, which would be \$1 billion every year.

There is opportunity for governments to invest in preventing violence before it occurs. Evidence from other countries shows that there are significant benefits from investing in prevention. CEW recommends implementing the recommendations in the second National Plan to eliminate violence against women and their children into the National strategy. Including the adoption of measurable targets and outcomes. Made up of both short and medium term goals as well as generational reform strategies. One of the most tangible ways of measuring this is the creation of an inventory of diverse and gender disaggregated core data sets used to inform national policy design across government.

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