

# CEW 2024 Pre-Budget Submission Key Asks

Australian women are highly educated, skilled, and an untapped resource within the Australian economy. In a period when government leaders are dealing with serious economic challenges, Australia could turbocharge its prosperity with the right policy settings. Gender equality is an economic imperative – it is the biggest lever we have to build an economy that reflects modern Australia, and uplift stalling productivity for the benefit of everyone.



# That's why CEW is calling on the Federal Government to do 10 things:

## Relax the child care subsidy activity test

Any relaxing of the current test would increase women's workforce participation and deliver economic benefits – and the Productivity Commission and ACCC agree.

## Legislate and invest in universal access to early childhood

The out-of-pocket costs under the current system create punishing disincentives to secondary earners — mostly women — wanting to work more.

## Extend paid superannuation to include paid parental leave

Superannuation on paid parental leave is an investment in Australian's economic security in retirement, and will not increase inflation.

## Legislate use it or lose it provisions for paid parental leave to encourage men's uptake

80% of fathers agree that they are equally responsible for care work as their partner, yet 86% of Paid Parental Leave is taken by women.

## Invest in secure, well-paid jobs in education, health and care industries

Care work, despite being vital to the well-being of our communities, continues to be undervalued.

## Increase JobSeeker to strengthen women's economic participation

JobSeeker payments have not kept pace with the increased cost of living, trapping the most vulnerable Australians in poverty.

## Review taxation and transfer systems to address disincentives and high Effective Marginal Tax Rates for women

The current system is geared towards outdated household models, punishing second income earners who want to work.

## Encourage all employers to set gender equality targets

CEW's census showed that companies with 40:40 targets were three times more likely to achieve gender balance in their leadership teams.

## Implement all Respect@Work and Set the Standard Report recommendations

Australian workplaces have a pervasive level of sexual harassment — everyone deserve workplaces that are safe, respectful and inclusive.

## Legislate intersectional gender-responsive budgeting and policymaking

Evaluating new policy proposals through a gendered lens will avoid unintended gendered outcomes.



# 1. Make Quality Early Childhood Education and Care (ECEC) Universal



## Immediate action:

- Relax the **Child Care Subsidy Activity Test** in line with Productivity Commission.
- Legislate and invest in universal access to quality, flexible ECEC; at **minimum three days (30 hours)** from when families need it until children start school.
- Implement and resource National Children's Education and Care Workforce Strategy **addressing low wages, and working conditions**.
- Support in Fair Work Commission applications to **raise wages and improve job quality** of EC educators and fully fund outcomes of applications.

## Supporting Stats:

- Free or low-cost ECEC will deliver a **\$480 million increase** in income tax revenue and the productivity equivalent of 21,000 full-time employees to the workforce. (Productivity Commission 2023)
- **With 90%** of brain development occurring before the age of five, research shows that children who have access to quality ECEC can expect better school success, a decreased crime rate, less substance abuse, and increased long-term employment.
- HESTA's 2021 State of the Sector report found **95% of ECEC workers** were earning at rates below the Australian average and **1 in 5** intended to leave the sector.

## Longer term reform:

Ensure ECEC is a sustainable and attractive career path for women and men



## 2. Value Care as the Centre of the Economy



### Immediate action:

- Extend superannuation guarantee to Commonwealth Paid Parental Leave (PPL) Scheme.
- Legislate "Use it or lose it" provisions for Paid Parental Leave (PPL).
- Mandate that teaching and nursing student placements are **paid work**.

### Supporting Stats:

- Women approaching retirement have **23% less** superannuation than men.
- Australian mums have missed out on more than **\$2.8 billion in super** savings at retirement from taking time out of the workforce to have children. (HESTA)
- **80.6% of Australian fathers** agreed that they were equally as responsible for care work as their partner, yet 86% of Paid Parental Leave (PPL) is taken by women.
- The expectation of unpaid labour to complete qualifications leads to high drop-out rates, especially with students from low socio-economic status (SES) backgrounds. Unions NSW's modelling indicates students should earn around **\$21,000 for a placement**.

### Longer term reform:

- **Invest** in secure, well-paid, professional jobs in health, education and care industries
- **Implement** the recommendations of the Work and Care Inquiry
- **Explore** options to demonstrate the value of care, such as:
  - including a statement in the Budget papers providing an estimate of the annual financial contribution of unpaid care to the national economy
  - 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
  - considering KPMG's Carers' Income Tax Offset model
  - Continue to expand the Commonwealth Paid Parental Leave (PPL) scheme in line with best practice in other OECD nations to incentivise shared care and men's uptake



# 3. Strengthen Women's Economic Security Through Enabling Workforce Participation



## Immediate action:

- Increase **JobSeeker** payment rates to 90% of the aged pension to support women out of poverty.
- Review **taxation and transfer systems** with an intersectional gender lens to address workforce disincentives and high Effective Marginal Tax Rates (EMTRs) experienced by women.
- Prioritise **women's housing** and addressing homelessness to enable economic participation.

## Supporting Stats:

- JobSeeker payments before the last budget equated to just **27% of the average Australian wage** and have not kept up with inflation.
- For second-income earners in a family with young children, there is a **50% financial disincentive** to work two or three days a week, which increases to 65-110% for fourth and fifth days.
- The rate of older women experiencing, or at risk of, **homelessness has increased by 30% in the last five years.**
- **\$11 billion would be added** to Australia's GDP by increasing women's working hours by just 2 per cent. (Deloitte)

## Longer term reform:

Embed high-quality flexible work, through strengthening the rights of employees to flexible work and family-friendly working arrangements



## 4. Invest In Diverse, Gender Balanced Leadership Pipelines



### Immediate action:

- Encourage all employers to **set gender equality targets**.
- Work with industry, unions, employer associations, professional associations, and advocacy groups, to grow programs that **support diverse women** to enter male-dominated/ less accessible sectors.
- Invest in programs/re-skilling programs to **drive more women into emerging industries** (clean energy, critical technologies, climate-positive industries, cyber-security, and AI development).

### Supporting Stats:

- **\$128 billion** could be added each year to Australia's economy by more flexible ideas around gender norms. (Deloitte)
- **One million additional full-time skilled workers** could be unlocked in Australia if women were engaged in paid work at the same rate as men. (CEW)
- Companies with a **40:40 or better** target were three times more likely to achieve gender balance than those without. (CEW Census)
- **More than half** of all Australians work in an industry dominated by one gender. This has not changed since 2018.
- **By 2050, 70% of jobs** will be STEM-related, but only one third of STEM roles are currently held by women.

### Longer term reform:

- Support women's health to enable greater workforce participation for women experiencing menopause and perimenopause, who are often at the peak of their careers.
- Facilitate public private partnerships to accelerate gender equality in leadership in the private sector.



# 5. Build Inclusive, Respectful and Safe Workplaces

## ! Immediate action:

- Implement all [Respect@Work](#) and [Set the Standard](#) Report recommendations and monitor impact.

## Supporting Stats:

- 89% of women, 64% of men and 99% of non-binary people have been harassed at work.

## Longer term reform:

Prioritise a strategic focus on Government action to improve women's safety.



## 6. Consider Women In All Their Diversity When Creating Policy



### Immediate action:

- **Legislate** intersectional gender responsive budgeting and gender impact assessment into policy design, implementation, evaluation, and spending allocation.
- **Ensure** gender responsive budgeting is embedded across government and invest in capability to deliver.
- **Report** annual progress against National Strategy to Achieve Gender Equality.
- **Continue** to strengthen the WGEA and disaggregated data collection.
- **Adequately fund** the National Women's Alliances.

### Supporting Stats:

- Despite having on average higher educational attainment than men, **women are more likely to be working part-time**, below their capacity, and in precarious employment.
- Australia's rate of female part-time employment is **almost 10% higher** than the OECD average.
- Women on average spend **1.5 hours more** on unpaid care per day than men.
- KPMG estimates the national return on investment from reducing workforce disincentives facing professionally trained women is **between 100–210%**.

### Longer term reform:

Leverage government's purchasing power to incentivise and support gender equality - prioritise awarding contracts to organisations with gender balanced leadership and that can demonstrate positive action in areas including pay equity, addressing gender segregation and building respectful workplaces.

