

Senator the Hon. Katy Gallagher
Minister for Women
PO Box 6100
Senate
Parliament House
Canberra ACT 2600

24 March 2023

Dear Minister

RE: WOMEN'S ECONOMIC EQUALITY TASKFORCE ADVICE FOR MAY 2023 BUDGET

In establishing the Women's Economic Equality Taskforce, you asked us to provide you with a report and recommendations for creating economic equality in Australia. You encouraged us to be independent and bold, and to consider both short and long-term measures which could significantly enhance women's economic opportunities and address entrenched gender norms.

We will shortly complete our work will provide you with our full report and suite of recommendations by the end of April, when our term concludes. In anticipation of that, you have asked us to provide you with a list of specific and urgent recommendations for consideration in the 2023 Budget.

From inception, the members of the Taskforce agreed that we would give priority to women in Australia experiencing significant disadvantage and vulnerability, that we would apply an intersectional lens in our work, and that in addition to seeking evidence to ground our recommendations, we would listen to the voices of women across the country. We also committed to provide you with structural reform recommendations that could be implemented over a series of time horizons, acknowledging that the work to achieve sustained economic and gender equality will not be solved in any one budget or Parliament. In fact, it will require a multi-decade approach with strategies and commitments encompassing our social and economic systems. Ultimately our ambition is to deliver you an architecture for achieving a sophisticated, fit for purpose economy that drives equality in Australia and our standing in the world.

We have engaged with Australian women who are the backbone of their families, workplaces, and communities. Women who live precarious, unsafe, and impoverished lives, told us that they want better lives and rights, to feel included and to be valued contributors to society. Instead, they experience punishment, inflexible barriers, or outright exclusion from our social and economic systems every time they try to make progress or gain ground. They believe their economic security will come from, "not having to rely on anyone else", feeling seen and trusted within our economic aspirations, being free from violence, and being able to participate in and have access to decent, well paid and secure work. What we

have heard, is that today they feel frustrated, disrespected and unsafe and that they feel economic security is out of their reach.

Women who are doing better economically, because they are engaged in paid work, told us that they are tired of bearing the consequences of their disproportionate caring responsibilities and pervasive gender bias. They see the compounding effects of disrupted careers, financial insecurity, and worse outcomes in wellbeing. They see the struggles faced by their mothers, reflected in their own lives, and they worry that their daughters may fare no better. They feel frustrated, disappointed, and angry that more is not done to improve gender equality and that despite their personal successes, many of them are still in precarious economic positions. Women who work in hypermasculine occupational and sector contexts told us that their workplaces are not fit for gender equality purpose, in terms of policy and inclusive culture, even at the very material level of facilities and uniforms that are designed for women. We also heard from women leaders that they bear an unacceptable level of online harassment and vile attacks when they speak out and participate in the public domain.

The Taskforce's strong view is that economic equality for women will only be achieved through courageous and urgent action in the short term, underpinned by a series of structural reforms that can build fairer, inclusive and stronger systems that enable equal economic participation across a life course for women and men.

We note and support the Government's existing commitments to reform through the 2022 Women's Budget Statement, the National Strategy to Achieve Gender Equality, and significant policies and legislative changes including:

- Ongoing work to implement all 55 Respect@Work Recommendations
- Inclusion of 10 days paid family and domestic violence leave in the National Employment Standards (pursuant to the Fair Work Amendment (Paid Family and Domestic Violence Leave) Act 2022)
- Commitment to increase the Commonwealth Paid Parental Leave Scheme to 26 weeks by 2026 and changes to improve the PPL scheme to make it more flexible, more accessible and gender neutral (pursuant to the *Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Act 2023*)
- *Family Assistance Legislation Amendment (Cheaper Child Care) Act 2022*
- *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022*
- *Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022.*
- And, the *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023*, currently before the Parliament.

We are continuing to provide you with advice on the design of the enhancements for the Commonwealth Paid Parental Leave scheme and note that we believe gender norms about care must also be addressed. High quality universal, accessible, and affordable childcare delivered by highly skilled, properly paid and securely employed educators remains a significant core commitment that will benefit all Australian families.

We believe that the longer-term pathway to lasting economic equality will require strong and consistent leadership from the Government – leading as a legislator, regulator, employer, procurer, and funder of services. The Commonwealth can use its significant influence to steward and advocate with State and Territory governments to embed gender equality into policies and processes of all governments, and influence all actors across the Australian economy.

The Taskforce has identified through our work that our social and economic systems reflect the many entrenched social norms that result in the persistent and pervasive unequal value given to women and men, and the unequal distribution of power, resources opportunities, and outcomes. This results in women’s economic participation across her lifetime being less visible, valued, self-determined, secure and safe, which is reflected in economic data – lower savings, lower incomes, less job security, lower super balances, lower wealth creation, lower advancement. Deloitte research in 2022 reveals that there is a potential \$128B benefit to the Australian economy by breaking the gender norms that drive this inequality.

Principles and Priorities for May Budget

In providing our advice to you on specific measures, we are acutely aware of the fiscal and economic pressures the Government is managing in framing the May budget. In that context we nonetheless believe that the Government can demonstrate significant leadership in applying Gender Responsive principles to new policy proposals, and to all savings proposals. Where unintended negative impacts on women and girls are identified, these should be quarantined from cuts, to ensure the priorities we have identified that will enhance women’s economic equality are not somehow diminished by cuts in other areas.

The following six priorities have been identified by the WEET as urgent and targeted actions. Taken together they will demonstrate the Government’s commitment to a longer-term pathway of economic reform and demonstrate the government’s ongoing commitment that an investment in women’s economic equality is one of the smartest investments that can be made.

1. Reinstatement of the Parenting Payment (Single) for women with children over eight. This will more appropriately classify single mothers as doing parenting work, rather than as being unemployed.
2. Abolition of the Parents Next program. This should be accompanied by a commitment to reinvest in a new evidence-based program co-designed with young parents, and based in principles of encouragement, support, flexibility and meeting their needs.
3. Abolition of the Childcare Subsidy Activity Test.

4. Payment of Superannuation for primary carers while they are on Paid Parental Leave.
5. Increase the rate of Commonwealth Rental Assistance to improve women's immediate housing security stemming from the lack of affordable, appropriate, and safe housing options.
6. Invest in an interim pay-rise for all early childhood educators and aged care workers in recognition of the historical undervaluation of their work and the urgent need to retain and attract workers to the sector. ¹

In addition to these measures, the Taskforce recommends the Government:

- Centres Aboriginal and Torres Strait Islander women in the design, delivery and evaluation of existing and future policy and programs, and
- Invests in existing strategies such as Closing the Gap, at levels commensurate with their aims and objectives.

The Taskforce will provide more detailed recommendations to create economic equality for Aboriginal and Torres Strait Islander women in our final report.

“The Taskforce recommends the raising of the base rate of income support and review of the current system of indexation of payments and analysis as to their adequacy. In addition, the Taskforce calls on the Government to provide its continuing support for Fair Work Commission equal remuneration and work value applications to raise the wages and conditions of workers in the care economy and fund their outcomes. The Taskforce believes there is a need for stronger coordination across government of these matters. Changes to current income support payment system should also be considered by the Economic Inclusion Advisory Committee.

The Taskforce also supports measures to address insecure and precarious work arrangements as women are far more likely to be insecurely employed than men, leading to difficulty in meeting caring needs, unpredictability in hours of work and earnings, and exclusion from many minimum labour rights and standards.

The 2022 Women's Budget Statement asserts that “The Government is putting gender equality at the heart of policy and decision making”. The Taskforce believes this is a fundamental commitment and agrees that this will create better and fairer outcomes and drive equal access to opportunities and resources, with the aim being substantive equality between men and women.

¹ Business Council of Australia strongly supports in principle an increase in wages for the care sector, and that this should be undertaken as part of a broader approach including a workforce strategy and work value case to progress through the Fair Work Commission.

As will be confirmed in our final report and recommendations there are a number of nonfinancial measures that can be considered which could drive immediate action with in the Government. These include:

- The introduction of gender responsive budgeting and moving towards embedding and expanding gender impact assessments on all policies, legislation, and investments.
- Strengthening and empowering the Commonwealth's bureaucratic architecture to ensure that women's economic and gender equality is held in a powerful and central agency with significant economic and labour market expertise, and with significant capacity to influence across government.
- Developing gender responsive capability across the Australian Public Service.
- Driving a Gender Data Strategy that ensures government data can be used to inform budget, policy development and decision making.
- Using data to provide public reporting on progress toward gender equality targets.
- Supporting women to enter and remain in public leadership roles.
- Establishing gender targets for the senior executive service of the Australian Public Service and government boards.
- Ensuring pay and conditions across the public service set a standard for other employers to follow as a model employer for gender equality.
- Implementing gender responsive procurement principles and ensuring tendering organisations are compliant.
- Viewing these priorities as investments and using targets and data to demonstrate the value created. This must be underpinned by an enhanced, strength-based culture of engagement where women's insights are acknowledged and used to build best quality policy.

In presenting our six key budget priorities to you, we believe that in combination they present the government with a timely opportunity to clearly support single mothers, young parents, and their families, recognise and value the care economy, the role of childcare and paid parental leave; and alleviate the acute rental stress facing women across the course of their lives. We believe this would demonstrate your conviction that these women matter to the future of our economy and society.

The Taskforce has listened to Australian women. We have not been surprised with what we have heard. We feel it too.

Australian women have told us, as they have told you, that they are tired of being the heartbeat of the Australian economy providing the essential infrastructure that is care, but with little reward or valuing for doing so. Women are tired of waiting for the right time to be prioritised. Gender and economic inequality *is* their lived experienced. For decades, these experiences have been well-described in stories and data.

Australian women want to believe the Government's commitment to gender equality is real, but until they see evidence of material change that centres their needs and stops the compounding disadvantage that accrues to them, they will retain a healthy scepticism.

The Taskforce, on behalf of Australian women, are asking the Government to have the courage to join us, trust us and respect us enough to embark on this journey of repair, reform, and renewal.

Thank you for your consistent support for the Taskforce's independence and our ambition. We value this opportunity to provide this advice for the May budget and we look forward to sharing our final report and recommendations in the month ahead.

Women's Economic Equality Taskforce



Sam Mostyn AO (Chair)



Chiou See Anderson




Shelley Cable



Rae Cooper AO



Terese Edwards



Jenny Macklin



Michele O'Neil



Jennifer Westacott AO



Danielle Wood