

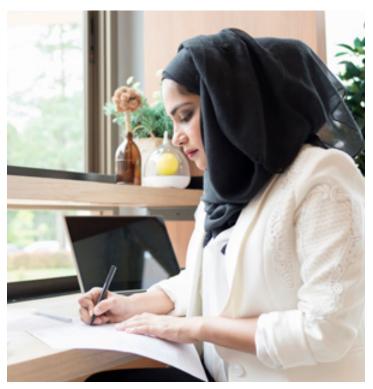




### Inquiry into economic equity for Victorian women

Final Report January 2022







# Inquiry Members

### **Inquiry Panel Members**



Carol Schwartz AO Chair



Liberty Sanger OAM Panel Member



James Fazzino Panel Member

# Inquiry Secretariat, Department of Treasury and Finance

- **Trudy Hart,** Executive Director
- **Catherine Durrant**
- Madison McSweeney
- Mietta Richardson
- Bella Williams

- **Stefani Cooper,** Director
- Sarah Dymock
- Stephanie Neal
- Nick Tarrant
- Mikaela Whitson

# Acknowledgement of Country

The Inquiry into economic equity for Victorian women proudly acknowledges Aboriginal people as the First Peoples and Traditional Owners and custodians of the land and water on which we rely. We acknowledge that the heritage, traditions and customs of Aboriginal communities throughout Victoria are vibrant, rich and diverse. We value these characteristics and consider them a source of strength and opportunity. We recognise that the leadership of Aboriginal communities and Elders in Victoria is critical to redressing inequality and disadvantage, and improving outcomes for Aboriginal women.

The Inquiry pays tribute to all of those Aboriginal and Torres Strait Islander peoples who have been working for many decades to achieve gender equality and end violence. This is extremely challenging work that often goes unrecognised and unsupported, and we pay our deep respects to their ongoing determination and commitment, and to the strengths and resilience of Aboriginal and Torres Strait Islander peoples and cultures. We recognise the diversity of Aboriginal peoples living throughout Victoria. Although the terms 'Koorie' and 'Koori' are commonly used to describe Aboriginal people of South East Australia, we use the terms 'Aboriginal' and 'Indigenous' in this report to include all people of Aboriginal and Torres Strait Islander descent who are living in Victoria. This approach is consistent with the language conventions of key Victorian frameworks such as the *Aboriginal Affairs Framework 2018-2023*. We recognise that our Inquiry is occurring concurrently with renewed efforts to achieve constitutional recognition of Aboriginal peoples as well as treaty processes that are underway in Victoria.

# Contents

Inquiry Members	03
Inquiry Panel Members	03
Inquiry Secretariat, Department of Treasury and Finance	03
Acknowledgement of Country	04
Inquiry Aims and Terms of Reference	06
Chair's Foreword	08
Executive Summary	10
Roadmap for change	14
Recommendations	16
Findings	25
Introduction	31
I. Current state	31
II. Opportunities for Victoria	35
III. The policy context	36
IV. Methodology	36
V. Structure of this report	40
Chapter one: Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic	42
Chapter two: Re-balancing the load of unpaid work and care – tackling a core barrier to women's workforce participation	56
2.1 Best practice approach to supporting parents and carers	58
2.2 Improving access to quality early childhood education and care	68
Chapter three: Creating safe, equal and accountable communities and workplaces	76
3.1 Making workplaces safe, equal and free from discrimination	78
3.2 Increasing women's leadership, promotion and influence	87
3.3 Promoting greater transparency and reporting of gender inequities	100
Chapter four: Addressing gender segregation and inequities by occupation and industry	110
4.1 Improving education and training pathways for women	112
4.2 Re-balancing the representation of women in non-traditional sectors	124
4.3 Recognising the real value of care and community work	139
4.4 Supporting women in business and entrepreneurship	150
Chapter five: Improving the safety net for priority cohorts of women	162
5.1 Supporting self-determination and economic equity for Aboriginal women	164
5.2 Improving access to affordable housing for women in vulnerable circumstances	173
5.3 Improving women's economic security at retirement	176
5.4 Supporting women experiencing family violence	181
Appendices	187
Appendix A - Submissions to the Inquiry	187
Appendix B - Intragovernmental Reference Group	190
Appendix C - Inquiry Panel consultations	191
Appendix D – Glossary	193
Appendix E – Advice from Koorie Women Mean Business	194

# Inquiry Aims and Terms of Reference

### The Inquiry into economic equity for Victorian women was established in July 2021.

The Inquiry Panel members (the Panel) were asked to inquire into, consider and report to the Treasurer and Minister for Women on the extent, nature and magnitude of economic inequity for women in Victoria, and ways to address this.

Economic equity is a measure of how resources are shared across society based on need. Equity aims to have as close to equal outcomes in society as possible.

The Panel was asked to consider matters including:

- pay equity and relevant workplace barriers, and the value given to work performed in women-dominated industries and other sectors
- frontline roles in health care and social assistance, local government, accommodation and food services, retail, the arts, social and community services sectors, and relevant other sectors
- blocks to workforce participation, including unemployment and underemployment
- skill development and access to promotional opportunities
- work insecurity and rates of casualisation in women-dominated industries and other sectors
- the impact of intersecting and compounding forms of discrimination and disadvantage, including women who identify as Aboriginal or LGBTIQ+, culturally and linguistically diverse women, single mothers, older women, younger women, women with disability, women experiencing family violence, and women from rural and regional areas.

In making recommendations, the Panel was asked to consider suitable policy options for the Victorian Government to redress the systemic disadvantage for women highlighted by the impact of the COVID-19 pandemic on economic equity for women in Victoria, which included:

- targeted industry/sector approaches
- measures to support the workforce participation of women with caring responsibilities and to encourage women's domestic partners to take on a greater share of these responsibilities
- retraining and reskilling support for women
- support for women-owned small businesses and self-employed women.

In making recommendations and considering suitable policy and investment options, the Panel was asked to consider the adequacy of existing legal and regulatory frameworks, and policy settings to address workplace and economic equality (from all tiers of government), which may include regard to:

- access to parental leave and early childhood education and care
- workplace education and training
- any implications for state investment and revenue, including requirements for additional Commonwealth funding
- regulation in other Australian jurisdictions and in other countries, including how other jurisdictions provide for equal pay for work of equal or comparable value
- the ability of any Victorian regulatory arrangements to operate effectively in the absence of a national approach.

Because gender inequities are already well known and researched, the Inquiry was asked to focus on policy solutions available to the Victorian Government. 'The Inquiry can do more than simply help women "make up ground" in the areas in which they are lagging behind men – it has capacity to spell out an ambitious and vibrant picture for what the Victorian economy and workforce can look like in the future when Victorian women achieve economic equity.

A society that elevates the value of all forms of care and prioritises investment in care as core infrastructure for the economy; that recognises the importance of women's full involvement in emerging occupations and future skills areas; that sees men in caring occupations and taking parental leave as the norm; that offers gender-equitable, inclusive and flexible work practices as the default; that sees a diverse composition of women in decision-making, leading businesses, and assured of a safe, respectful and inclusive workplace culture; and a society where women and people of all genders can be assured of a retirement with economic security, dignity and respect that reflects the value of the contributions they have made to society - paid and unpaid - throughout their lifetimes.

It would be powerful for this type of vision to be articulated as the aspirational goal, and for the Inquiry to map out the steps towards this.'

Dr Leonora Risse and Dr Angela Jackson<sup>1</sup>

<sup>1</sup> A Jackson and L Risse, Evidence-based steps towards economic equity for Victorian women: An analytical report to support the Victorian Inquiry, unpublished.

# Chair's Foreword



As Chair of the Inquiry Panel, I am honoured to present this report to the Victorian Government. It represents six months of focused and strategic work to identify the most practical, impactful levers for change to strengthen Victorian women's economic equity.

Thank you to the Premier, Treasurer and Minister for Women for supporting and establishing such a critical inquiry amid dealing with the pandemic. As has been well documented, unfortunately women's economic inequity has further deepened during this challenging period, and we must address this as our state now shifts into recovery. This will build on the important steps already taken by the Victorian Government to address gender inequities, including the whole-ofgovernment gender equality strategy *Safe and Strong*, Victoria's first *Gender Equality Act 2020*, and the introduction of Gender Responsive Budgeting.

Thank you to my fellow Panel members, Liberty Sanger OAM and James Fazzino, for their highly engaged approach to the Inquiry, and for their invaluable insights and contributions. We were supported by an excellent Inquiry Secretariat, led by Trudy Hart, Executive Director and Stefani Cooper, Director. We are grateful for their agility, thoughtfulness and dedication in bringing together this comprehensive report. Finally, I would like to thank Sarah Buckley, my Chief of Staff, who played an important role supporting the Panel's work throughout the Inquiry.

The breadth of the Inquiry recognises the complexity of tackling diverse women's economic equity. It is simply not acceptable for Victorian women to still be underpaid, under-represented and undervalued. To create meaningful change, we need to not only improve the daily experience of women so that they feel safe and can thrive, but address the deep-seated gender norms and biases that are holding society back. These norms and biases take many forms, from what we imagine a leader to be, to how we value women's work compared to men's work, to what industries better suit a particular gender, and what behaviour is deemed acceptable towards women. We also need to consider the unique and intersecting biases based on race, Aboriginality, religion, ethnicity, disability, age, sexual orientation and gender identity that hold back women's economic equity.

If we truly undertake the cultural and systemic changes required, we will unlock significant opportunity for Victoria. As noted by Dr Leonora Risse and Dr Angela Jackson this is not to 'simply help women "make up ground" in the areas in which they are lagging behind men – it has capacity to spell out an ambitious and vibrant picture for what the Victorian economy and workforce can look like in the future when Victorian women achieve economic equity'. The panel and I believe that the economic and societal benefits of addressing gender equity cannot be overstated, and we offer the report recommendations with this in mind. During this inquiry, we heard loud and clear that care (paid and unpaid) sits at the heart of this – in fact it was mentioned in every submission and consultation whether by unions, peak bodies, businesses or academics. The continued undervaluation of care work by women at home, in the workplace and in the community has to change. We need to rebalance the load of unpaid care and work, and start viewing care as an essential service. Just as we invest in physical infrastructure, we need to invest in and value 'human infrastructure'.

Some of this systemic change may take years or a generation to implement. However, we can take important and practical actions right now to strengthen not just Victorian women's economic equity but our Victorian economy overall. It also presents an opportunity to demonstrate what we as a society value and want to be remembered for.

In this report, we have focused on where the Victorian Government can have most impact now – as an employer, funder, leader, educator and advocate. Thank you to the many individuals and organisations who shared their perspectives and ideas via the submission and consultation process. Your involvement was invaluable to building a set of clear and focused recommendations. The report addresses five inter-related themes, providing the latest evidence on key issues and targeted recommendations for consideration. As the drivers of economic inequity are so intertwined, the solutions proposed here are designed to build on and reinforce each other over time.

We hope that this report will serve as a practical guide, and most importantly act as a catalyst for action – across the Victorian Government and beyond.

Best wishes,

Carol Schwartz AO Chair

## **Executive Summary**

#### Women are underpaid, under-represented and undervalued in public life.

Compared with men, women are paid less, take on more unpaid caregiving responsibilities, are less able to fulfil their potential in the paid workforce and in senior leadership positions, and face higher rates of gendered violence at work and in the community, including harassment and discrimination. Many women experience intersecting and compounding forms of disadvantage and inequality, based on, for example, race, disability, age or sexuality. Underpinning these inequities, the Inquiry is clear in its view that the Australian economy is highly gendered and structured to reinforce existing intergenerational inequalities and disadvantage.

This inquiry was established by the Victorian Government in light of these challenges, many of which were exacerbated by the impacts of the COVID-19 pandemic.

Victoria is already leading the nation when it comes to gender equality and the prevention of family violence. However, further dedicated investments and policy reforms must be made now to capitalise on the opportunities gender equality provides to our society and economy, including higher productivity and economic growth. Closing the employment gap between men and women would boost GDP by around 11 per cent, and it has been estimated that closing the gender productivity gap would raise this to 20 per cent.<sup>2</sup> The Inquiry's recommendations and findings present the Victorian Government with practical policy solutions that address the systemic drivers of economic inequity for women and provide a framework for action.

The major themes and conclusions of the Inquiry are outlined below.

#### Harmful gender norms and stereotypes severely limit women's potential

Gender norms and stereotypes drive biases and support rigid gender roles that limit women's ability to thrive in their careers, communities and at home. Women are often expected to take on the caregiver role across all facets of their lives, at the expense of participating in the paid economy.

This frequently hidden inequality was laid bare during the COVID-19 pandemic, when overwhelmingly women found themselves caring for, supervising and educating children, while simultaneously needing to work from home, care for elderly or vulnerable adult family members and manage the usual unpaid domestic load.

Rigid gender norms are also harmful for men, curtailing potential careers in the care, community and health sectors and preventing men from more actively caring for their families and communities.

In submissions to the Inquiry, there was consensus among stakeholders that men must step up and share the load of unpaid work. Without this fundamental rebalancing, women will continue to be much worse off economically. The triple load of caring, domestic and paid work responsibilities means women's lifetime earnings are usually half those of men.

<sup>2</sup> Goldman Sachs, <u>Australia's Hidden Resource: The Economic Case for Increasing Female Participation</u>, ASX website, 2009, accessed 15 November 2021.

The Inquiry's recommendations and findings make the case that the Victorian Government must play a leadership role in addressing harmful gender norms and stereotypes. To achieve this, Victoria should model best practice parental leave and flexible work policies that promote more equal sharing of care responsibilities between parents.

#### Women's contributions are systemically undervalued in the home, workplace and community

Women working full-time in Victoria earn 12.2 per cent less than men, a pay gap that has persisted for a very long time.<sup>3</sup>

Women are over-represented in industries with low rates of pay, such as health care, and under-represented in high-paying industries, such as construction.

Women are also under-represented in leadership roles across all industries and in the broader community. This leadership gap persists despite evidence showing that where women are present in leadership and decision-making, workplaces are safer, more profitable, and more productive.

Addressing the root causes of women's under-representation in leadership requires a critical view of how women are valued and portrayed in our society and counteracting unfounded and often unconscious biases towards women, particularly women in positions of influence.

The Inquiry's recommendations and findings make the case that Victoria can remove systemic barriers to women's leadership and promotional opportunities by de-biasing recruitment and promotional structures and increasing the visibility and recognition of women as leaders and role models. Women should also be encouraged to start their own businesses, and Victoria should collectively support women entrepreneurs and business owners to scale up.

#### Many workplaces, particularly those with mostly men in the workforce, are hostile and inhospitable environments for women

Gendered violence is pervasive in Victorian workplaces – women still regularly experience discrimination and harassment at work. Women from diverse backgrounds and social groups are much more vulnerable to compounding forms of discrimination and harassment based on their gender and other identity characteristics. Workplace sexual harassment impacts a person's ability to participate in the workplace over the long-term, compromising their economic security and safety.

Everyday sexism is prolific in both public and professional spaces. Varying in form, these attitudes and behaviours are shaped by harmful gender stereotypes and need to be addressed appropriately.

The Inquiry's recommendations and findings make the case that to effectively improve the safety of Victorian workplaces, workplace gendered violence must be treated as an occupational health and safety issue. This approach acknowledges women's right to safety in the workplace and places the responsibility for creating and maintaining safe work environments on employers.

3 A Jackson and L Risse, Evidence-based steps towards economic equity for Victorian women: An analytical report to support the Victorian Inquiry, unpublished.

#### Addressing gender segregation of workforces and workplaces must be a priority

Women have been historically under-represented in many traditionally 'blokey' industries due to structural barriers such as gender bias and discrimination, sexism and sexual harassment, inflexible working arrangements that don't accommodate caring responsibilities, and a lack of access to paid parental leave.

A key theme from this inquiry's consultations was that workplaces with few women are unlikely to have the critical mass needed to drive cultural change across these areas.

The Inquiry's recommendations and findings focus on improving women's representation in majority-men sectors through targeted industry strategies, with close consultation with employers and unions. Victoria should also leverage its powerful procurement levers, such as the Social Procurement Framework, to support better outcomes for women.

## Society must revalue work in the care and community sector

A fundamental finding of this inquiry is that women are over-represented in the care and community sector, driven by gender norms around the kinds of work women and men should perform.

Pay in the care and community sector is low and is not commensurate with the value it creates socially and economically. Low pay in this sector is also driven by the assumption that caring is innate rather than a learnt skill.

The COVID-19 pandemic highlighted how essential care and community work is to our society and economy, and the wellbeing of our most vulnerable. We must collectively acknowledge as a state that the care, community and health sectors have played a significant role in maintaining Victoria's strong economic standing through the global recession of 2020. The Inquiry's recommendations and findings make a strong case for revaluing work performed in the care and community sector. Victoria should develop a Care Economy Strategy to recognise care and community work as critical human infrastructure. Workers in this sector, the vast majority of whom are women, must be remunerated to more accurately reflect the immense social, cultural and economic value their work contributes to Victorian society and the economy.

#### All Victorians must have equal access to high-quality early childhood education and care irrespective of income or geographic location

A lack of access to, or affordability of, early childhood education and care (ECEC) is a key barrier to women's workforce participation. Research shows a strong, clear link between higher funding for ECEC and economic outcomes, including higher workforce participation (especially for women), productivity, and real GDP growth.<sup>4</sup> Increasing investments in ECEC access, affordability and quality will immediately increase women's economic security.

The Inquiry's recommendations and findings make the case that the Victorian Government can take steps now to improve ECEC services, such as boosting subsidies for kindergarten and raising quality standards. Victoria should also advocate to the Australian Government for greater long-term investment in the ECEC sector.

4 D Wood, O Emslie and K Griffiths, *Dad days: how more gender equal parental leave could improve the lives of Australian families,* Grattan Institute, 2019, accessed 11 November 2021.

#### Intersectionality must be considered across all government business

Women face a range of intersecting and compounding barriers to economic equality. For many, gender inequality is compounded by other forms of disadvantage or discrimination based on characteristics such as race, Aboriginality, religion, ethnicity, disability, age, sexual orientation and gender identity.

The Inquiry's recommendations and findings aim to embed greater consideration of intersectionality into government's decision-making and data collection processes. Victoria should embed Gender Responsive Budgeting through legislation to secure and future-proof the practice. Government should also provide dedicated support to marginalised groups of women who experience multiple forms of inequality, discrimination and disadvantage.

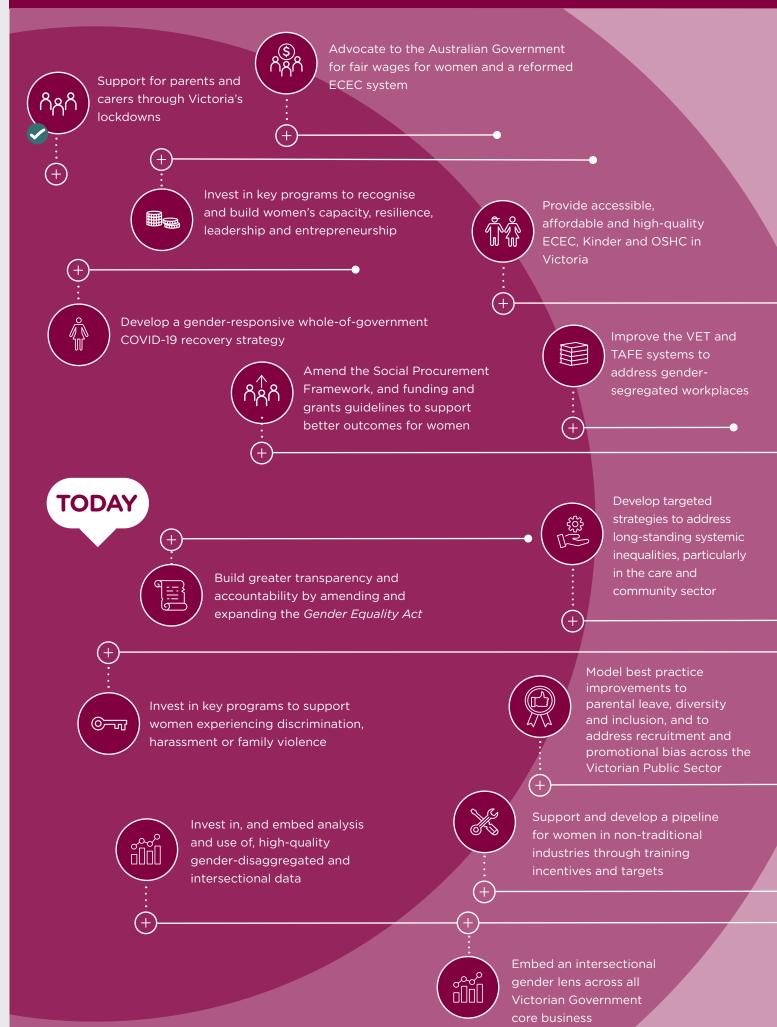
#### Government must show leadership in driving large-scale cultural change across Victorian society

The themes highlighted in this inquiry are a call to action for the Victorian Government. Many of the Inquiry's recommendations are aimed at driving systemic, cultural and institutional change. Systemic problems require systemic solutions – we cannot place the onus on women to drive change.<sup>5</sup> The responsibility for change must be assigned to those in existing positions of leadership, management and decision-making. Large-scale cultural change is overdue, and the Victorian Government has a significant opportunity to be a leader in this space.



5 Workplace Gender Equality Agency (WGEA), <u>Australia's Gender Pay Gap Statistics</u>, Australian Government, 2021, accessed 12 November 2021.

#### 14 | EXECUTIVE SUMMARY



# Roadmap for change





Implemented in 2022-23 FY and/or included in the 2022-23 budget



Implemented in the forward estimates, before 2025-26 FY



After the forward estimates, 2025-26 FY and beyond



**Duration of policy intervention** 

Completed initiative

## Recommendations

The Inquiry has made 31 recommendations for the Victorian Government. These recommendations focus on changes that will have the most significant impact on Victorian women's economic equity. The recommendations include a mix of short-, medium- and longer-term solutions, and are balanced between targeted support programs and much needed structural change.

The Inquiry also made two early recommendations to the Victorian Government in September during a period of COVID-19 pandemic restrictions.

## CHAPTER ONE: Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic

#### **Solution** Early Recommendation 1:

Consider all single parents authorised workers for the purposes of accessing early childhood education and care services and schools during periods of COVID-19 pandemic restrictions.

#### **Solution** Early Recommendation 2:

Make early childhood education and care services available for parents while they attend a vaccination appointment if they cannot make alternative supervision arrangements.

#### Recommendation 1:

Develop a gender-responsive whole-ofgovernment COVID-19 pandemic recovery strategy. The strategy should:

- provide assistance on the basis of gender-disaggregated data about which industries have been hardest hit by job losses
- provide dedicated and significant catch-up support to the hospitality and

arts and creative industries to alleviate the severe impacts of job losses

- c. increase public spending in critical human infrastructure including social, community and health services
- ensure gender and intersectional data is collected and considered as part of COVID-19 pandemic recovery planning, decision-making and spending
- e. fund re-skilling programs to support women to move into new and emerging industries.

#### **O** Recommendation 2:

Embed co-design and co-delivery practices across Victorian Government policies, programs and services targeted at women from diverse communities and social groups.

#### **()** Recommendation 3:

Increase ongoing investment in gender equality policy initiatives, such as funding to implement the *Safe and Strong* gender equality strategy.

#### CHAPTER TWO: Re-balancing the load of unpaid work and care – tackling a core barrier to women's workforce participation

## 2.1 Best practice approach to supporting parents and carers

#### **()** Recommendation 4:

Establish a nation-leading best practice approach to supporting parents and carers in the Victorian public sector that:

- models a best practice approach to paid parental leave including an equal, non-transferable entitlement to paid parental leave for all parents
- **b.** models a best practice approach to part-time, flexible, and remote work
- c. sets targets for the number of fathers and partners taking their full entitlement of parental leave.

## 2.2 Improving access to quality early childhood education and care

#### **()** Recommendation 5:

Establish a coalition of states that will collectively advocate to the Australian Government for greater investment in and stewardship of early childhood education and care.

#### **()** Recommendation 6:

Expand the Kindergarten Fee Subsidy into all early childhood education and care providers offering a funded kindergarten program.

#### **()** Recommendation 7:

Ensure Victorian early childhood education and care services are of the highest quality as the sector expands by investing in educators, teachers, and the enforcement of quality standards.

#### O Recommendation 8:

Commit to ensuring all children, including children with disability, can access appropriate and high-quality outside school hours care.

## CHAPTER THREE: Creating safe, equal, and accountable communities and workplaces

3.1 Making workplaces safe, respectful and free from discrimination

#### **3.2 Increasing women's leadership, promotion, and influence**

#### **()** Recommendation 9:

Accept and fund all recommendations made by the Ministerial Taskforce on Workplace Sexual Harassment and treat workplace gendered violence as an occupational health and safety issue.

#### **O** Recommendation 10:

Ensure women have equitable access to work-related advice and support by providing increased and recurrent funding to community legal centres, Aboriginal Legal Services, and Victoria Legal Aid to provide legal advice and assistance to vulnerable workers who experience discrimination, gendered bullying or harassment in the workplace, considering the particular needs of workers facing intersectional discrimination.

#### **()** Recommendation 11:

Take a nation-leading approach to addressing the challenges faced by women of colour working in the Victorian public sector. This includes allocating four years of funding to the VPS Women of Colour Network to develop strategies to address racism and discrimination in the VPS and public sector more broadly.

#### **O** Recommendation 12:

Address systemic barriers to women's leadership and opportunities for promotion across the Victorian public sector by de-biasing recruitment and promotion processes.

#### • Recommendation 13:

Increase the visibility and recognition of women as leaders and role models in Victoria.

#### **3.3 Promoting greater** transparency and reporting of gender inequities

#### Recommendation 14:

Extend the *Gender Equality Act 2020* to non-defined entities on a voluntary basis and support all organisations to address gender inequalities in workplaces and communities through the development of tailored research, guidance materials and education.

#### **Or Recommendation 15:**

Embed Gender Responsive Budgeting in Victoria through legislation that secures and future-proofs the practice within government.

#### **O** Recommendation 16:

Show policy leadership to other jurisdictions by increasing the collection, quality, and use of gender-disaggregated and intersectional data across the Victorian public sector. This should include supporting defined entities under the *Gender Equality Act 2020* to report on gender pay gaps for women from diverse backgrounds and social groups.

## CHAPTER FOUR: Addressing gender segregation and inequities by occupation and industry

## 4.1 Improving education and training pathways for women

#### • Recommendation 17:

Improve outcomes for women through the VET-TAFE system by:

- ensuring the inaugural Victorian Skills Plan includes specific consideration of the intersectional needs and interests of women to boost women's participation in non-traditional education and training
- appointing a Gender Equality Advisor who will work across the VET system to develop a whole-of-system Gender Equality Strategy
- c. providing adequate resourcing to implement the Respect and Equality in TAFE approach across Victoria and ensure consultation with the Commission for Gender Equality in the Public Sector.

#### **O** Recommendation 18:

Increase the number of women working in non-traditional sectors through programs such as:

- a. free courses and scholarship incentives in fields including STEMM, technology, manufacturing and building/ construction (similar to the Women in Trades initiatives)
- b. tailored pre-employment support programs for women from diverse communities and social groups that support their transition into well-matched jobs.

## **4.2 Re-balancing the representation of women in non-traditional sectors**

#### **()** Recommendation 19:

Develop new industry strategies to attract, recruit and retain women in majority-men industries. These strategies should:

- a. set an ambitious long-term vision of at least 40 per cent women in both the workforce and leadership positions (a 40/40/20 model), alongside short-term stretch goals
- collaborate with key industry associations, unions and employers to ensure targets are achievable and broadly supported
- c. create inclusive, respectful workplace cultures, including by preventing and eliminating sexual harassment in workplaces
- d. provide funding for education and training pathways, such as free TAFE and supported apprenticeship placements, to increase the pipeline of workers (refer to Recommendation 18)
- e. use the Social Procurement Framework to incentivise progress as well as formally capture and monitor changes
- f. provide funding to key women-focused peak organisations to build the support network for women before organisations have critical mass and to support small businesses
- **g.** encourage a diverse workforce within the strategy
- encourage men to take parental leave and adopt flexible work arrangements

 mandate that gender-equitable facilities are available on-site at all worksites, including separate change rooms, proper PPE and equipment designed for all genders.

Once the industry strategies are developed, a pilot strategy should be trialled in the manufacturing sector, the supply chain/ operations sector, the technology sector, the finance sector, or the energy sector. Following evaluation, the Inquiry recommends rolling-out similar strategies to other industries.

#### **()** Recommendation 20:

Raise the employment targets in the Building Equality Policy (BEP) over time to improve gender equality in the construction industry. To support this, the Victorian Government should:

- a. create a long-term vision of at least 40 per cent women in the workforce (a 40/40/20 model) and seek buy-in from industry associations, employers and unions
- provide ongoing funding to support implementation of and compliance with the BEP
- c. develop a mechanism to gradually increase targets over time to achieve long-term vision by using incentives built into contracts
- d. strengthen penalties for non-compliance by suppliers
- e. fund programs to increase the talent pipeline, including free TAFE for construction skills and priority apprenticeships (refer to Recommendation 18)
- f. mandate that gender-equitable facilities are available on-site at all publicly-funded construction projects, including separate change rooms, proper PPE, and equipment designed for operators of all genders

- request suppliers create an inclusive and respectful workplace culture, including by preventing and eliminating sexual harassment in workplaces
- fund support networks for women to assist the construction sector in the transition to gender equality
- pilot a small project with more ambitious targets, including
   50 per cent women on-site and
   50 per cent majority-women enterprises as sub-contractors
- j. attract and retain more women workers by piloting family-friendly hours on public construction projects. Support the pilot of a five-day working week on public construction projects and roll-out this model to more projects subject to the pilot's evaluation and success.

#### • Recommendation 21:

Amend the Social Procurement Framework to support better outcomes for women. These amendments should:

- a. mandate that all government purchasers apply the women's equality objective
- establish an effective governance, oversight and accountability mechanism for the women's equality objective with reporting on progress
- c. provide implementation support to suppliers and buyers through detailed guidance material, education and training
- introduce industry-specific targets for suppliers linked to the industry targets described in Recommendation 19
- e. establish a framework that allows suppliers to provide their gender equality data to one central point in government while still being able to supply across different departments

- f. increase requirements for contracts over \$3 million, in line with the *Gender Equality Act 2020* requirements. For example, as part of their tender, suppliers must report data on gender composition in supplier boards, maintain flexible work policies, promote the uptake of parental leave by men as well as meet targets for women in leadership
- g. impose greater requirements for contracts over \$20 million, in line with the *Gender Equality Act 2020* requirements. For example, suppliers must provide a Gender Equality Action Plan based on a comprehensive workplace audit
- incorporate targets for government purchases from women-owned and controlled small businesses.

#### **()** Recommendation 22:

Adopt new or strengthen existing genderequitable policies for Victorian Government engagements with professional services organisations. Policies should:

- a. increase the Victorian Government Legal Services Panel's Equitable Briefing Policy target to 40 per cent for briefing women barristers
- b. introduce a Gender-Equitable Purchasing Policy, similar to the current legal services arrangement, to apply across other professional services organisations, such as those in consulting, finance, accounting, IT, media and communications.

## 4.3 Recognising the real value of care and community work

#### Recommendation 23:

Develop a Victorian Care Economy Strategy to recognise care and community work as critical human infrastructure and assign it fair economic value. The strategy should:

- a. define the fair economic value of care and community work
- reflect the fair economic value of care and community work in wages and conditions where the State is the employer
- c. support and advocate for the cases of non-government workers in the care and community sector to the Fair Work Commission, to ensure the value of their work is reflected in wages
- d. encourage the public to revalue care and community work
- e. take a strategic approach to workforce supply across the sector
- f. meet system demand by increasing investment in human infrastructure.

#### **()** Recommendation 24:

Improve work and financial security in the care and community sector where the Government is the primary funder by:

- reducing reliance on short-term funding of essential services over the medium- to long-term
- b. developing service agreement structures that include a redundancy payment guarantee for employers on the condition that providers offer the relevant employees ongoing employment

- applying a consistent and adequate indexation formula to service providers that covers the true cost and increasing complexity of delivering services
- expanding the portable long-service leave scheme to include more entitlements and support more majority-women care and community services.

#### **O** Recommendation 25:

Advocate to the Australian Government for a review and evaluation of the Fair Work system that develops processes to address the undervaluation of work in majority-women sectors.

## **4.4 Supporting women in business and entrepreneurship**

#### Recommendation 26:

Support women-owned businesses and women entrepreneurs to start-up or scale-up through a suite of initiatives including:

- a. investing in capacity-building program like a Strong Start Women in Business program
- funding pre-accelerator and accelerator programs that help women entrepreneurs launch start-ups
- c. developing and expanding dedicated programs for migrant women who are looking to start a business.
   These programs should provide support with accessing finance, financial management principles, and sustainable business design

- increasing women's access to capital by funding the VC Catalyst Program to increase angel and VC investor capabilities
- e. developing a fund to follow on from the Angel Sidecar Fund to boost access to capital past the initial start-up stage
- f. supporting the growth of women-owned businesses by funding partner agencies such as Global Sisters and Ngarrimili.

#### O Recommendation 27:

Invest in co-designed, holistic support programs for Indigenous women entrepreneurs that:

- a. provide resources to prospective Indigenous women entrepreneurs
- b. facilitate access to wrap-around services such as financial counselling, networking, mental health supports, mentoring and training to assist Indigenous women entrepreneurs through the COVID-19 pandemic recovery phase
- c. support Indigenous women entrepreneurs with grants for infrastructure, equipment and digital literacy to pivot their business through the COVID-19 pandemic recovery phase.

#### O Recommendation 28:

Support women-owned businesses in rural and regional areas where business owners are at risk of, or experiencing, financial hardship.

## CHAPTER FIVE: Improving the safety net for priority cohorts of women

#### 5.1 Supporting self-determination and economic equity for Aboriginal women

#### 5.4 Supporting women experiencing family violence

#### **()** Recommendation 29:

Improve the collection and use of data about Aboriginal women in Victoria by:

- a. developing a qualitative and quantitative research grants program to fill knowledge gaps about the experiences and needs of Aboriginal women. Government can use this research to complete gender impact assessments as part of policy, program and service design
- supporting Victorian public sector workplaces to collect high-quality data about the workplace experiences of Aboriginal women under the *Gender Equality Act 2020*, including experiences of discrimination and caring responsibilities.

#### **()** Recommendation 30:

Support the implementation of the Victorian Aboriginal Employment and Economic Development Strategy, and ensure it addresses the needs of Aboriginal women.

#### **()** Recommendation 31:

Support services that assist women experiencing economic hardship due to family violence, including economic abuse, to meet demand.

# Findings

The Inquiry has made 26 findings in this report, which reflect areas for further consideration, work or research by the Victorian Government.

#### CHAPTER TWO: Re-balancing the load of unpaid work and care – tackling a core barrier to women's workforce participation

#### 2.1 Best practice approach to supporting parents and carers

#### **③** Finding 1:

The Victorian Government can remove the distinction between primary and secondary caregivers in future enterprise agreements. Future agreements could maintain the requirement for fathers and partners to parent alone for a period by setting a maximum number of weeks of leave that both parents can take concurrently.

#### **③** Finding 2:

The Victorian Government can invest more in supports and incentives that encourage fathers and partners to take parental leave in the public sector, including an awareness campaign on the value of unpaid care in the home and the importance of shared domestic roles.

#### **Q** Finding 3:

The Victorian Government can advocate to the Australian Government for reforms to parental leave pay schemes that encourage greater equity between partners.

#### **Q** Finding 4:

The Victorian Government can advocate to the Australian Government to strengthen protections for parents and carers in the *Fair Work Act 2009* and National Employment Standards.

#### **Q** Finding 5:

The Victorian Government can expand the Secure Work Pilot Scheme to cover all people working in occupations with no existing access to leave entitlements who meet the criteria for insecure work, pending a successful evaluation of the existing pilot scheme.

## CHAPTER THREE: Creating safe, equal, and accountable communities and workplaces

#### 3.1 Making workplaces safe, respectful and free from discrimination

#### **③** Finding 6:

The Victorian Government can work to ensure that primary prevention policy frameworks are key to the elimination of all forms of gendered violence in Victorian workplaces. Best practice approaches to addressing gendered violence require removing the cause of violence and preventing a situation where violence could occur in the future.

#### **③** Finding 7:

Early intervention in the workplace is the responsibility of leadership teams and their efforts are critical to the prevention of sexual harassment in the workplace.

## **3.2** Increasing women's leadership, promotion, and influence

#### **Q** Finding 8:

The Victorian Government can explore ways to remove unconscious bias against women in the private, not-for-profit and community services sectors through leveraging its role as a procurer and legislator.

#### **Q** Finding 9:

The Victorian Government can showcase the positive impacts of diverse women's leadership with a diversity-focused Women on Boards Commitment.

#### **Q** Finding 10:

The Victorian Government can look for more opportunities to address the systemic barriers facing women seeking election in local government, particularly women from diverse backgrounds and social groups.

#### **③** Finding 11:

To ensure women's leadership programs lead to meaningful change in women's representation, the Victorian Government can pivot the funding of leadership programs from individual capability building, to programs that:

- a. address structural and cultural barriers to women's leadership
- b. apply an intersectional lens
- c. embed clear evaluative frameworks.

#### **3.3 Promoting greater** transparency and reporting of gender inequities

#### **Q** Finding 12:

The Victorian Government can work with the Australian Government to develop a nationally consistent legislative framework for achieving progress on women's economic equity.

#### **Q** Finding 13:

A strategic, cohesive and adequately resourced approach should be taken to growing Victoria's gender equality workforce, including building capabilities and expertise to achieve meaningful progress under the *Gender Equality Act 2020.* 

#### **Q** Finding 14:

The Victorian Government can embed transparent gender reporting across its practices and products to model best practice to other jurisdictions.

#### **Q** Finding 15:

The Victorian Government can look for opportunities to advocate to the Australian Government for ways to better collect, report and use gender-disaggregated and intersectional data at the national level.

## CHAPTER FOUR: Addressing gender segregation and inequities by occupation and industry

## 4.1 Improving education and training pathways for women

#### Finding 16:

The Victorian Government can explore opportunities to leverage the existing skills and experiences of migrant and refugee women, including reviewing how overseas qualifications can be better recognised and matched to job vacancies in the Victorian labour market.

#### **Q** Finding 17:

The Victorian Government can improve job-matching of women in non-traditional sectors following completion of study or training, and develop options for valuing and accrediting prior skills and qualifications when an individual is transitioning to a new sector.

## **4.2 Re-balancing the representation of women in non-traditional sectors**

#### **Q** Finding 18:

The Victorian Government can work with certification organisations to establish a database of women-owned and controlled businesses that allows Victoria to incorporate targets for state purchases from these businesses into the Social Procurement Framework.

## 4.3 Recognising the real value of care and community work

#### **Q** Finding 19:

All VPS departments should be required to apply gender-ethical funding guidelines for government grants and funding recipients.

## **4.4 Supporting women in business and entrepreneurship**

#### **③** Finding 20:

The Victorian Government can introduce women-specific business support initiative streams as well as streams to support women from diverse backgrounds and social groups, including Aboriginal women and women in rural and regional Victoria. Successful initiatives that are focused on Victorian women in business, such as the Small Business Bus, should now be scaled up.

#### **Q** Finding 21:

The Victorian Government should consider how to generate more childcare options for rural and regional women.

## CHAPTER FIVE: Improving the safety net for priority cohorts of women

#### 5.1 Supporting self-determination and economic equity for Aboriginal women

#### **Q** Finding 22:

To be successful, policies, programs and services that support economic security for Aboriginal women need to be developed by Aboriginal communities, recognising that self-determination and treaty principles are key to successful outcomes.

#### **Q** Finding 23:

Aboriginal women's greater cultural load when in the workplace should be recognised and compensated.

# 5.2 Improving access to affordable housing for women in vulnerable circumstances

#### Finding 24:

The Victorian Government's significant investment in the Big Housing Build points to further opportunities to address housing inequality for priority cohorts of women. Options the Victorian Government can consider include:

- providing more safe, affordable, and accessible social housing for women in vulnerable circumstances focusing on priority groups such as older women, migrant women, women escaping family violence and single mothers
- b. developing alternative options for increasing affordable housing, including partnerships with industry as well as using inclusionary zoning to generate affordable rental housing for those on a very low income and 'key workers'
- c. developing new ways to encourage private investment in social housing for women. For example, encouraging a coalition for housing to be established and led by industry/super funds that government helps plan and oversee.

## **5.3 Improving women's economic security at retirement**

#### 5.4 Supporting women experiencing family violence

#### **③** Finding 25:

The Inquiry supports all of the recommendations in the Victorian Government Submission to the Commonwealth Government's Review of the Retirement Income System.

#### **③** Finding 26:

All levels of government must continue to prioritise primary prevention of family violence. Effective prevention and early intervention programs can now be scaled up subject to successful evaluation.



# Introduction

### I. Current state

Despite significant work by Victoria to date, economic outcomes for Victorian women are still far behind those of Victorian men.

Gender inequalities persist across many areas in Victoria, including schools, workplaces, neighbourhoods, the media and sport, preventing all Victorians from achieving their full potential.

Two-thirds (69 per cent) of young women and girls think gender inequality is a problem in terms of discrimination and sexism at home, at school, and in their private and public lives.<sup>6</sup>

Research also indicates that gender inequality in the workforce, including the gender pay gap, is still a significant issue.

Victorian women are more likely to be underemployed and less likely to take part in the paid workforce, often due to the disproportionate load of unpaid domestic and caregiving responsibilities for children, elderly relatives or people with disability. Where women are participating in the paid workforce, they are frequently paid less than men. While women graduate in greater numbers from university than men, they can expect to receive a lower rate of pay upon graduation and throughout their lives. As at May 2021, the gender pay gap in Victoria stood at 12.2 per cent. In 2021, Victorian men still earnt \$224 more per week on average than Victorian women, who earnt on average \$1,613 per week.<sup>7</sup>

Occupational and industrial gender segregation are key drivers of the gender pay gap and women's economic insecurity – together they account for 17 per cent of the gender pay gap.<sup>8</sup>

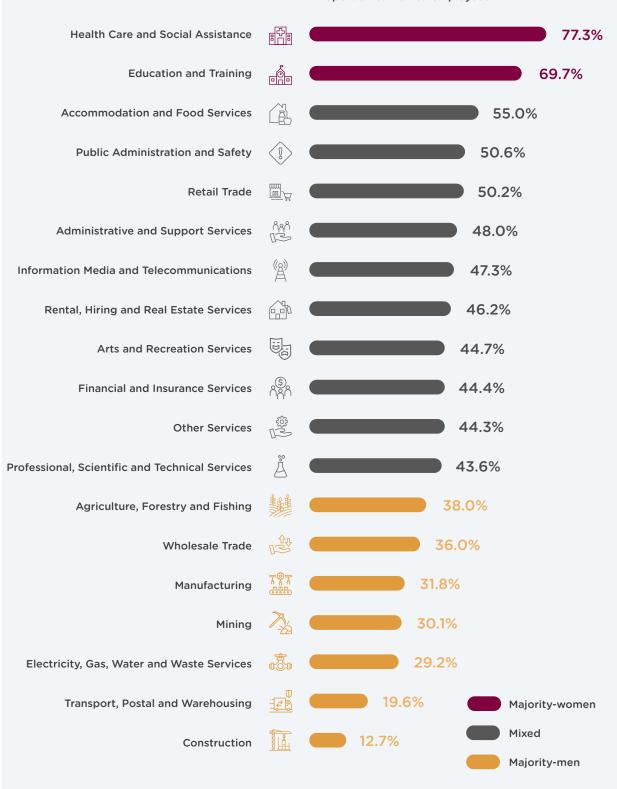
At the industry level, this is because more women than men work in lower paid industries such as health care and social assistance. In contrast, men are over-represented in industries with comparatively better working conditions, such as construction, transport and mining (Chart 1).

<sup>6</sup> Plan International and Our Watch, <u>Everyday sexism: girls' and young women's views on gender inequality in Australia</u>, 2016, accessed 23 November 2021.

<sup>7</sup> Australian Bureau of Statistics (ABS), Average Weekly Earnings, Australia, ABS Website, May 2021, accessed 16 November 2021.

<sup>8</sup> KMPG, She's Price(d)less: The economics of the gender pay gap, KPMG website, 2019, accessed 11 November 2021.

Chart 1: Victorian gender segregation by industry, August 2021 910



Proportion of women employees %

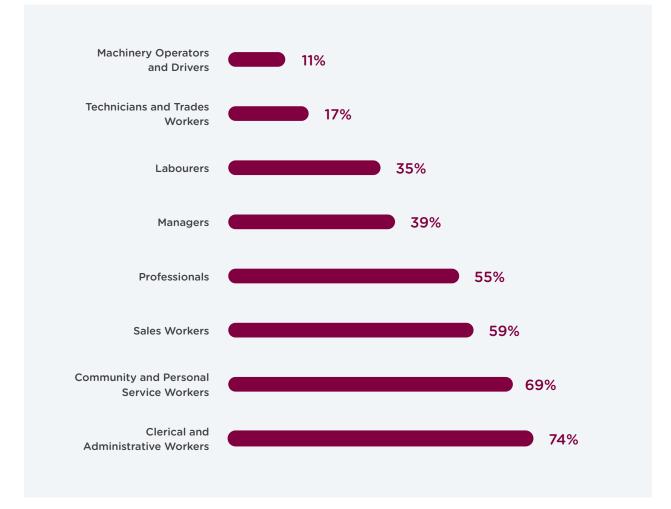
Source: ABS, Labour Force, Australia, Detailed, August 2021 quarter, EQ06. Note: Data is smoothed using a four-quarter average.

9 Consistent with the Workplace Gender Equality Agency (WGEA) approach to classification, industries with a greater than 60 per cent share of women employees are defined as 'majority-women'; industries with greater than 60 per cent men are 'majority-men', and the rest are 'mixed' industries.

10 WGEA, <u>Submission 22 – Senate Inquiry into Gender Segregation in the Workplace and its Impact on Women's Economic Equality</u>, Australian Government, 2016, accessed 11 November 2021. Over the past 20 years, women have been slowly leaving some majority-men industries, such as construction; transport, postal and warehousing; and information media and telecommunications, which may be due to unsafe workplace cultures including sexual harassment and lack of psychological safety.<sup>11</sup>

At the occupational level, as seen in Chart 2, women are over-represented in lower paid, casual and insecure occupations such as clerical and administrative workers, midwifes, nurses, and education support staff. Many of these roles have limited opportunity for upward mobility and therefore have low-income potential. Men are over-represented in higher paying occupations such as technicians, labourers, trades workers and machinery operators and drivers. For example, 98 per cent of construction trades workers are men.<sup>12</sup>

Turning to the Victorian public sector specifically, a 10.7 per cent gender pay gap remains, due in large part to occupational segregation. Most public sector occupations and classifications generally have a small pay gap when women and men perform similar roles. However, despite making up over two-thirds of the workforce, women are over-represented in the lowest-paying roles (Table 1).<sup>13</sup>



#### Chart 2: Share of women in different occupations

Source: ABS, Labour Force, Australia, Detailed, August 2021 quarter, Table 7. Note: Data are calculated for Australia and smoothed using four-quarter average.

11 Ibid.

<sup>12</sup> ABS, Labour Force, Australia, ABS website, August 2021, accessed 11 November 2021.

<sup>13</sup> Victorian Public Sector Commission, <u>State of the Public Sector in Victoria 2018-19</u>, Victorian Government, 2020, accessed 11 November 2021.

Pay grade (high to low)	% Women	% Men	Number of staff
Executives	51%	49%	1,471
Occupational classifications after STS	56%	44%	14,036
Senior Technical Specialist	35%	65%	587
VPS Grade 6	52%	48%	6,296
VPS Grade 5	59%	41%	9,581
VPS Grade 4	62%	38%	8,012
VPS Grade 3	65%	35%	6,322
VPS Grade 2	73%	27%	3,656
VPS Grade 1	58%	42%	71

Table 1 : Distribution of women across Victorian Public Service classifications, June 2020

Source: Victorian Public Sector Commission, Facts, visuals and data on the Victorian public sector workforce as at June 2020

There is also a significant gender pay gap in the private sector. The national Workplace Gender Equality Agency (WGEA) has found that while average remuneration in majority-women organisations is lower than in majority-men organisations, women managers working in majority-men organisations are more likely to earn salaries closer to their colleagues who are men.<sup>14</sup>

WGEA also found that while the proportion of women in the majority-men managers occupation has substantially increased (up from 28.3 per cent in 1998 to 36.2 per cent in 2018), performance pay and other additional remuneration play a greater role in majority-men industries, leading to higher gender pay gaps.

Despite having the necessary talent and ambition, women remain significantly under-represented in senior leadership positions. Under-representation in leadership is even more pronounced for women from diverse backgrounds and social groups. Combined, these factors lead to reduced lifetime earnings, reduced job security and lower superannuation, making women vulnerable to poverty upon retirement. Women face a range of specific and intersecting barriers to economic equality. For many, gender inequality is compounded by other forms of disadvantage or discrimination such as race, Aboriginality, religion, ethnicity, disability, age, sexual orientation and gender identity.

The COVID-19 pandemic has exacerbated these existing inequalities, as it saw more women than men lose their jobs, have their hours cut, or become saddled with home-schooling or caring responsibilities. Between May 2020 and May 2021, Victoria's gender pay gap increased 2.6 per cent to a total of 12.2 per cent.<sup>15</sup> While Victoria's gender pay gap is still 2 per cent lower than the national average, Victoria experienced the largest increase in the gender pay gap of any state or territory in that period.

These issues weaken Victoria's economy and reduce social cohesion in the community by increasing rates of anti-social behaviour, violence, disadvantage, and discrimination.

<sup>14</sup> WGEA, Gender Segregation in Australia's Workforce, Australian Government, 2019, accessed 11 November 2021.

<sup>15</sup> WGEA, <u>Australia's Gender Pay Gap Statistics</u>, Australian Government, 2021, accessed 12 November 2021.

### II. Opportunities for Victoria

Women's economic equity increases social inclusion and benefits the economy. The Victorian Government must capitalise upon the opportunities gender equality presents for the economy, such as higher productivity and economic growth.

In Australia, the rise in women's employment rates relative to men since 1974 has increased Australia's GDP by around 22 per cent. It has been estimated that closing the employment gap completely would boost GDP by around 11 per cent, and closing the gender productivity gap would raise this to 20 per cent.<sup>16</sup> For Victoria, a 20 per cent boost to the economy would add \$93 billion to annual economic activity.<sup>17</sup>

The Victorian economy is well-positioned to gain from an increase in government-funded early childhood education and care (ECEC) services. Over 120,000 Victorians with children under the age of five would like to work more hours.<sup>18</sup> Modelling commissioned by the Inquiry from Equity Economics and Victoria University found that if these parents were able to work an extra 10 hours a week - through greater access to childcare services - the number of hours supplied to the labour market would increase by 1 per cent. By 2030. GDP would be 0.84 per cent higher than it otherwise would have been, which is equivalent to an increase in Victoria's GDP per person of \$590 per year or almost \$4 billion for the economy as a whole.<sup>19</sup>

Similarly, workers in the care and community sector are underpaid compared to other workers in similar occupations and there is a strong case for Victoria to adjust wages to reflects the true societal value of a worker's service.<sup>20</sup> Research from Equity Economics and Victoria University estimated that care and community service workers on average are paid at a rate of 25.7 per cent below occupations of equivalent skill level; 19.5 per cent when calculated at the professional occupation level and 37.9 per cent when calculated at the vocational occupation level.<sup>21</sup>

Removing barriers to women's participation in the paid workforce could significantly boost Australia's GDP in several ways:

- A free, universal ECEC scheme would cost around \$20 billion per year (about double the current funding). However, the increase in women's participation could increase GDP by up to \$47.2 billion or 1.2 per cent by 2050, and the future increase in productivity could add up to \$2.15 billion to GDP by 2050.<sup>22</sup>
- If women and men participated equally as entrepreneurs, global GDP could rise by approximately 3 to 6 per cent, boosting the global economy by USD\$2.5 trillion to USD\$5 trillion.<sup>23</sup>
- Halving the gender pay gap in Australia and reducing entrenched discrimination against women in the workforce could result in a payoff to Australia valued at \$60 billion in GDP by 2038.<sup>24</sup>

16 Ibid.

<sup>17</sup> Australian Bureau of Statistics, 'Table 1 - Gross State Product, chain volume measures and current prices', <u>Australian National</u> <u>Accounts: State Accounts</u>, ABS website, author calculations, 19 November 2021, accessed 23 November 2021.

Associate Professor Janine Dixon, Dr Leonora Risse and Dr Angela Jackson, *Inquiry into Economic Equity for Victorian women -Modelling of Economic Benefits of Proposed Reforms*, Equity Economics and Victoria University, unpublished.
 Ibid. Calculations are in 2019 prices.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid. Using ABS Census data, the average full-time weekly income was computed for selected care and community occupations, defined at 4-digit ANZSCO level and for full-time employees only.

<sup>22</sup> Equity Economics, *Making Australia the Best Place in the World to Be a Parent – report for the Parenthood*, 2020, accessed 23 November 2021.

<sup>23</sup> S Unnikrishnan and C Blair, <u>Want to Boost the Global Economy by \$5 Trillion? Support Women as Entrepreneurs</u>, Boston Consulting Group, 2019, accessed 21 November 2021.

<sup>24</sup> A Kitchen and G Wardell-Johnson, Ending workforce discrimination against women, KPMG, 2018, accessed 12 November 2021.

### III. The policy context

The Inquiry acknowledges that significant steps have already been taken to address gender inequities across Victoria. In response to the Royal Commission into Family Violence in 2015, a whole-of-government gender equality strategy, *Safe and Strong*, was launched in 2016, setting out a framework for enduring and sustained action over time. Coming out of *Safe and Strong* was the development of Victoria's first *Gender Equality Act 2020* (the GE Act). The GE Act, which commenced in March 2021, aims to drive workplace gender equality in the Victorian public sector, universities and local councils. Other national and state legislative and policy reforms and investments since the early 1970s have also significantly reduced the gender pay gap, gender-based discrimination, and workplace sexual harassment while supporting women's career and leadership aspirations.

### IV. Methodology

The Inquiry was jointly announced by the Treasurer, Mr Tim Pallas MP, and Minister for Women, the Hon Gabrielle Williams MP, on 10 July 2021. The Inquiry was established to develop recommendations to realise economic equity for Victorian women, including options for redressing the gendered impacts of the COVID-19 pandemic. To achieve this, the Inquiry gathered a wide variety of stakeholder perspectives on all aspects of economic inequity and potential solutions. In total, the Inquiry process considered:



66 submissions



**O4** internal & external stakeholder consultations



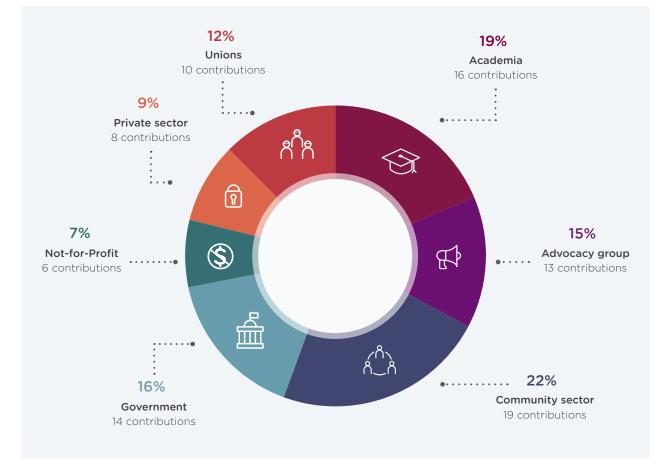
commissioned research projects



Iiterature review



• intragovernmental reference group Across these processes, the Inquiry heard from 86 individual stakeholders via submissions, panel consultations and commissioned research - collectively representing views from across government, the private sector, unions, academia, the not-for-profit sector, community service organisations and advocacy groups (Chart 3). The Inquiry Secretariat conducted consultations with a further 32 stakeholders within government when developing advice for the Inquiry Panel.



#### Chart 3: Composition of stakeholders who provided input to the Inquiry. <sup>25</sup>

#### Literature review

As a preliminary step, the Inquiry Secretariat completed a review of local and international literature on barriers to economic equity for women between May 2021 and the Inquiry's announcement on 10 July 2021. The review informed the Inquiry's initial stakeholder list, as well as the findings and recommendations in this report. The review also informed the commissioning of further research based on identified gaps in the literature.

#### Call for written submissions

Representative bodies and organisations were invited to send submissions to the Inquiry between 10 July 2021 and 8 August 2021. To ensure key stakeholders were aware of the Inquiry and submission timelines, the Inquiry Panel sent requests for submissions directly to 191 stakeholders across academia; the business community; federal and state governments; the care and community sector; unions; and women's health services.

25 Chart 3 includes stakeholders who provided submissions, commissioned research or attended round one consultations. Some stakeholders participated through a combination of the three. Stakeholder consultations conducted by the Inquiry Secretariat through round two consultations are not included. Through this process, the Inquiry received 59 submissions (refer to Appendix A), with another seven submissions provided through the Intragovernmental Reference Group. Cognisant of the additional pressures caused by COVID-19 pandemic lockdowns during the call for written submissions period, the Inquiry Panel provided a one-week extension to all stakeholders that contacted the Inquiry requesting an extension and negotiated further extensions as needed.

# Intragovernmental reference group

In conjunction with the submissions process, an Intragovernmental Reference Group (IRG) led by the Inquiry Secretariat and Office for Women was engaged from 29 July to 19 November 2021 to help the Inquiry understand the existing policy environment. The IRG was attended by representatives across 15 government departments and agencies (refer to Appendix B), selected for their expertise in policy areas related to the Inquiry Terms of Reference.

IRG representatives were invited to make recommendations to the Inquiry within the same period as the broader call for submissions. An additional seven submissions were received through this process. IRG representatives were also engaged across the Inquiry process on an ad-hoc basis.

#### Consultations

In total, the Inquiry Panel held direct consultations with 32 stakeholders through the first round of consultations. A further 32 stakeholders were consulted by the Inquiry Secretariat in the subsequent months to support the development of the Inquiry Report.

The consultations undertaken by the Inquiry gleaned a diverse range of stakeholder perspectives on the drivers of economic inequity for Victorian women and potential solutions. Overwhelmingly, stakeholders identified access to affordable and flexible childcare; the undervaluation of women's unpaid work at home and paid work across industries; and endemic workplace discrimination and sexual harassment as key barriers to women's economic equity in Victoria. Stakeholders were all concerned by the disproportionate impact the COVID-19 pandemic has had on women and majority-women industries. Stakeholders were also concerned about the cohorts who were hit the hardest by the COVID-19 pandemic, such as single mothers; migrant, refugee and multicultural women; women with disability and Aboriginal women.

Consultations clearly illuminated the ways in which the Victorian Government must act to address economic inequity through its position as an employer, leader, advocate, funder, and procurer.

#### Round one consultation

Stakeholders were widely engaged in an initial consultation process conducted by the Inquiry Panel between 5 May and 16 August 2021, in which the Inquiry Panel meet with 32 stakeholders (refer to Appendix C) online via video due to the COVID-19 pandemic. Initial consultations focused on broad systemic issues affecting women's economic equity. The stakeholders consulted as part of round one were selected due to their expertise in areas relating to the Terms of Reference through consultation with the Office for Women. Collectively, they represented stakeholders across academia, advocacy groups, community-sector organisations, government, the private sector and unions

As the Inquiry was held during the COVID-19 pandemic, many organisations representing Aboriginal women were unable to participate. The Inquiry noted the significant additional workload faced by many of these organisations in supporting their communities during public health restrictions. Subsequent consultations with several organisations focused on supporting Aboriginal Victorians were held across September to November 2021, with additional research commissioned to understand the barriers to economic equity for this cohort.

#### Round two consultation

Following the first round of consultations, the Inquiry Secretariat met with a further 32 stakeholders on an ad-hoc basis from September 2021 until the final report was delivered in January 2022. As distinct from round one consultations, which focused on understanding the issues and stakeholder perspectives on potential solutions, round two consultations focused on testing the feasibility of potential recommendations and determining whether they would sufficiently address the barriers identified in earlier consultations and research.

This round of consultations occurred primarily with departments and agencies that would be responsible for implementing recommendations proposed by the Inquiry.

#### **Commissioned research**

Upon reviewing the existing literature, submissions and consultation materials, the Inquiry determined that it would be beneficial to commission further research to support the Inquiry. The purpose of the additional research was to address specific cohort gaps and to support the development of recommendations through robust economic modelling. The Inquiry Panel commissioned three research pieces to support the Inquiry:

- Dr Angela Jackson and Dr Leonora Risse from Equity Economics, RMIT were commissioned to assess the major policy recommendations under consideration by the Inquiry and to identify any gaps in the knowledge base or list of recommendations.
- Koorie Women Mean Business was commissioned to undertake a piece of qualitative research focusing on the impacts of the COVID-19 pandemic on workplaces, as well as provide their views on how to support economic equity for Aboriginal Women in Victoria.
- **3.** Equity Economics and Victoria University provided economic modelling on the Inquiry's recommendations in the care and community services sector and on paid parental leave.



# V. Structure of this report

This Inquiry Report is structured in accordance with the major themes that were canvassed across the Inquiry:

**CHAPTER ONE** focuses on addressing the ways in which the COVID-19 pandemic has exacerbated existing inequities.

**CHAPTER TWO** focuses on re-balancing the load of unpaid work and care – a core barrier to women's workforce participation.

**CHAPTER THREE** focuses on how to create safe, equal and accountable communities and workplaces.

**CHAPTER FOUR** focuses on addressing gender segregation and inequities by occupation and industry.

**CHAPTER FIVE** focuses on improving the safety net for priority cohorts of women.



Across this report, the Inquiry has included indicative quotes from stakeholder submissions to illustrate key points. Stakeholders provided consent for publication. The Report uses the following language to give a sense of the weight of support for a particular view:

- 'one stakeholder' one stakeholder voiced a perspective
- 'a few' two stakeholders shared a view
- 'several/some' up to five stakeholders shared a view
- 'many' more than six stakeholders shared a view
- 'most/the majority' almost all stakeholders.

# Critical Recommendations

The Inquiry recommendations and findings are ordered sequentially by chapter theme, and do not represent the relative ranking of importance. However, the Inquiry has identified 'critical recommendations' determined to be most urgent, denoted by the icon above.

#### **Gender diversity**

The Inquiry values and celebrates diversity. We acknowledge this report does not seek to address all forms of gender inequality. We have primarily focused on the inequalities that exist between women and men, including people who identify as women and men.



# CHAPTER ONE



Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic

### CHAPTER 1

# Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic

#### **⊘** Early Recommendation 1:

Consider all single parents authorised workers for the purposes of accessing early childhood education and care services and schools during periods of COVID-19 pandemic restrictions.

#### **Early Recommendation 2:**

Make early childhood education and care services available for parents while they attend a vaccination appointment if they cannot make alternative supervision arrangements.

#### Recommendation 1:

Develop a gender-responsive whole-ofgovernment COVID-19 pandemic recovery strategy. The strategy should:

- provide assistance on the basis of gender-disaggregated data about which industries have been hardest hit by job losses
- provide dedicated and significant catch-up support to the hospitality and arts and creative industries to alleviate the severe impacts of job losses
- c. increase public spending in critical human infrastructure including social, community and health services
- ensure gender and intersectional data is collected and considered as part of COVID-19 pandemic recovery planning, decision-making and spending
- e. fund re-skilling programs to support women to move into new and emerging industries.

#### **()** Recommendation 2:

Embed co-design and co-delivery practices across Victorian Government policies, programs and services targeted at women from diverse communities and social groups.

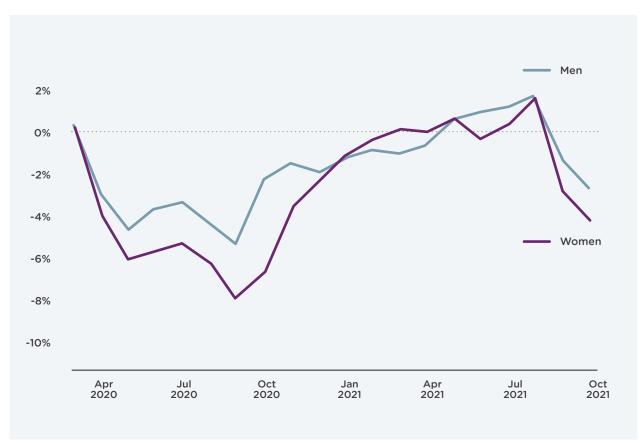
#### **()** Recommendation 3:

Increase ongoing investment in gender equality policy initiatives, such as funding to implement the *Safe and Strong* gender equality strategy. 'This is the worst recession in living memory for working women ... pandemic lockdowns hit women especially hard, and although most have returned to work, many have not.'

**Grattan Institute**<sup>1</sup>

# 1. Introduction

The COVID-19 pandemic has had wide-reaching impacts on Victorians. Public health restrictions – including national and state border closures, stay-at-home orders, and the closure of customer-facing businesses – have fundamentally changed the way people work and live. The impact on jobs and the economy in Victoria has been particularly severe, especially for women. Between March 2020 and September 2021, 133,000 Victorian women and 105,000 Victorian men lost their jobs.<sup>2</sup>





Source: ABS Labour Force, October 2021

<sup>1</sup> D Wood, K Griffiths and T Crowley, *Women's work: The impact of the COVID Crisis on Australian women*, Grattan Institute, 2021, accessed 11 November 2021.

<sup>2</sup> Australian Bureau of Statistics (ABS), Labour Force, Australia, ABS website, October 2021, accessed 12 November 2021.

<sup>3</sup> Ibid., per cent changes in employment are relative to March 2020.

# 2. Key issues

The impact on women's workforce participation – particularly early in the pandemic – was significant Data shows that Australian women took on more caring responsibilities during the COVID-19 pandemic compared with men, including caring for or supervising children, caring for adults, indoor housework, and other activities (Chart 5).



Chart 5: Share of Australians who did five or more hours of unpaid work per week in May 2021

Source: ABS Household Impacts of COVID-19 Survey, May 2021

Women were already more likely than men to perform unpaid labour before the COVID-19 pandemic. However, the introduction of remote learning for school children and restricted access to early childhood education and care (ECEC) services increased the burden of unpaid care and domestic responsibilities on women during public health restrictions. The greater burden of unpaid work forced many women to leave the paid labour force. As we will explore in Chapter 2.2: *Improving* access to quality early childhood education and care, prior to the COVID-19 pandemic, child caring responsibilities have traditionally formed one of the primary barriers to women's greater participation in the paid labour market. Australian Bureau of Statistics (ABS) survey data from 2018-19 suggests that across Australia, 47.9 per cent of women who cannot take on more hours at work say it is due to caring for children, compared with 3.2 per cent of men.<sup>4</sup>

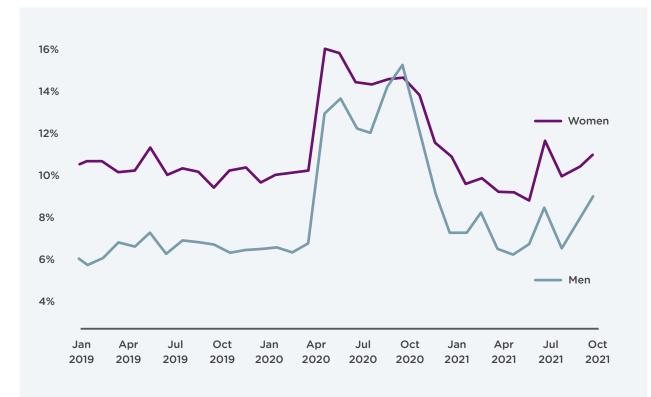
<sup>4</sup> ABS, *Barriers and Incentives to Labour Force Participation, Australia*, ABS website, 2020, accessed 12 November 2021.

## Unemployment and underemployment were much higher for women

Unemployment rose faster for women than for men during periods of restrictions in 2020 and 2021. However, the unemployment rate does not capture the full story.

Underemployment, which is when a worker would prefer and is available to work more hours, was already a significant issue for women prior to the COVID-19 pandemic. Underemployment for women in Victoria was close to 10 per cent before the pandemic, almost double the underemployment rate for men of around 6 per cent (Chart 6).

The COVID-19 pandemic was devastating for women's underemployment, which reached a record high of 15.9 per cent in April 2020. This means that 15.9 per cent of employed Victorian women had the capacity and interest to work more hours. Although underemployment has fallen somewhat since early 2020, it remains a significant issue for Victorian women and the Victorian economy.



#### **Chart 6: Underemployment rates in Victoria**

Source: ABS Labour Force, September 2021

## Casual employees and employees in customer-facing roles were hardest hit

The impact of the COVID-19 pandemic has also fallen heavily on casual employees, just over half of whom are women.<sup>5</sup> Casual employees were

the most likely to either lose their jobs or have their hours reduced during the early stages of the COVID-19 pandemic. Some were also excluded from receiving support from the Federal JobKeeper wage subsidy program, which did not include casuals who had been with their employer for less than one year.<sup>6</sup>

<sup>5</sup> ABS, *Labour Force Survey, Quarterly, Detailed*, Table EQ04, August 2021, accessed November 2021.

<sup>6</sup> Australian Government the Treasury, *Insights from the first six months of JobKeeper*, Australian Government, 021, accessed 12 November 2021.

As a result, national employment fell by over 20 per cent for casual employees between February 2020 and May 2020, and only 2.6 per cent for employees with paid leave entitlements.<sup>7</sup>

The COVID-19 pandemic also had a disproportionate impact on certain industries. Job losses were highest in customer-facing roles, as customer-facing businesses were the most likely to close to prevent transmission of the virus. In Victoria, many of these industries – such as hospitality, social assistance services, and the sports and physical recreation industry – are majority-women.<sup>8</sup>

# Younger and older women were also most likely to be impacted

The COVID-19 pandemic has had a pronounced impact on the lives of younger women in Victoria. Many women – particularly teenagers or those in their 20s – lost their jobs during the lengthy period of restrictions in 2020 (Chart 7).

The Australian Institute of Health and Welfare noted that the COVID-19 pandemic may have long-term consequences for young people, including worsened long-term employment prospects and finances due to unemployment, adverse effects from a temporary disruption to education, poorer mental health and reduced access to secure housing.<sup>9</sup>

Older women have also been significantly impacted by the COVID-19 pandemic. Employment outcomes for women over 60 were worse than for women aged between 30 to 59. Older women often face barriers to re-entering employment, including age discrimination, difficulties accessing training, digital literacy, and lack of flexible work opportunities.<sup>10</sup>



- 7 ABS, Charts on casual employment, occupation and industry, ABS website, August 2021, accessed 12 November 2021.
- 8 ABS, Labour Force Survey, Quarterly, Detailed, Table EQ06, ABS website, August 2021, accessed 12 November 2021.
- 9 Australian Institute of Health and Welfare, <u>COVID-19 and the impact on young people</u>, Australian Government, 2021, accessed 12 November 2021.
- 10 Australian Government, <u>Towards 2025: An Australian Government Strategy to Boost Women's Workforce Participation</u>, Mature age women, 2017, accessed 21 October 2021.



#### Chart 7: Change in Victorian employment, March quarter 2020 to September quarter 2020

Source: ABS Labour Force, Australia, September 2021, GM1. Note: Data calculated based on employment flows. Data smoothed to a 3-month average.

## Impacts experienced by women from migrant and refugee backgrounds compounded existing inequalities

A number of submissions to the Inquiry noted the particularly significant impact of pandemic restrictions on women from migrant and refugee backgrounds.

In 2021, Gender Equity Victoria (GEN VIC) surveyed women from migrant and refugee backgrounds in Victoria on their experiences of the COVID-19 pandemic, finding that the threat of virus transmission combined with lockdowns had adverse impacts on their employment and income prospects. Women from migrant and refugee backgrounds are more likely to find themselves in insecure and low-paid employment due to education and language barriers. GEN VIC noted that the experiences of many women from migrant and refugee backgrounds included 'working extra hours as essential workers, having reduced income but no reduction in workload, experiencing financial abuse, resigning from their work to perform caring work, and having their partner lose their job'.<sup>11</sup>

The Ethnic Communities' Council of Victoria (ECCV) and the Multicultural Centre for Women's Health (MCWH) noted in their joint submission to the Inquiry that prior to the COVID-19 pandemic,

11 Gender Equity Victoria, Left Behind: Migrant and Refugee Women's Experience of COVID-19, 2021, accessed 12 November 2021.

S S women from migrant and refugee backgrounds were already some of the most economically marginalised groups of women in Victoria.

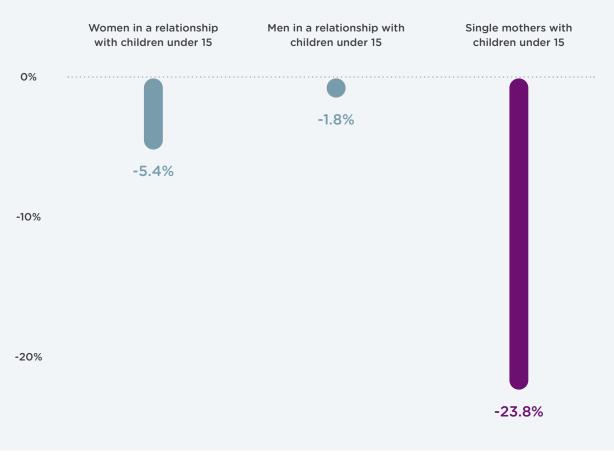
ECCV and MCWH also noted that migrant and refugee women face high levels of unemployment when compared with migrant men and Australian born men and women, and that when migrant and refugee women do find paid work, it is more likely to be casual or precarious, or in majority-women industries where wages are low.

# Many single mothers were forced to withdraw from the workforce

The COVID-19 pandemic was particularly difficult for single parents in Victoria, 85 per cent of whom are women. Single mothers in Victoria were far more likely to lose or leave their jobs compared with coupled parents. Many single mothers withdrew from the workforce entirely – likely to care for children. As noted above, women took on the bulk of extra caring responsibilities during periods of remote schooling and childcare restrictions. As a result, the number of single women with a job fell by nearly 25 per cent between March 2020 and September 2020 (Chart 8).

The Inquiry heard from several stakeholders on this issue, including the Council of Single Mothers and their Children, who noted that single mothers are often working in insecure, casual roles and are therefore more vulnerable to changes in their employer's circumstances.<sup>12</sup>

# Chart 8: Change in Victorian employment between March 2020 and September 2020, by family relationship status, per cent<sup>13</sup>



Source: ABS Labour Force Survey, August 2021, Table FM1

12 Stakeholders include: Council of Single Mothers and their Children, the Salvation Army, and Social Ventures Australia.

13 ABS, Labour Force, Australia, Detailed, Table FM1, August 2021, accessed 10 October 2021.

# 3. Findings and Recommendations

## The Inquiry made early recommendations to support single parents during COVID-19 pandemic restrictions

The Inquiry was conducted during significant lockdown restrictions, as Victoria managed the ongoing social and economic effects of the pandemic. In recognition of these challenging circumstances, the Inquiry provided two early recommendations to government on 8 September 2021 to support single parents.

The Inquiry recommended classifying all single parents as authorised workers, if they were in some form of paid employment, for the purpose of accessing early childhood education and care (ECEC) and school during lockdown (Early Recommendation 1). This would allow their children to continue attending ECEC or school regardless of their authorised worker status.

Under the lockdown settings in early September 2021, ECEC services (including kindergarten, long-day care and family day care) were open to the children of authorised workers. For a child to be eligible, at least one of their parents or guardians had to be an authorised worker who was working at home or in the workplace who could not make other supervision arrangements.

School services (primary and high school) were open to the children of authorised workers where both parents/guardians (or one parent/ guardian in the case of a single parent family) were authorised workers, and were not working from home. This meant that authorised workers who were working from home (for example, teachers leading remote learning) with school-aged children were not eligible to have their children attend school. In practice, this may have prevented or made it difficult for single parents to balance paid work and care responsibilities. The Inquiry further recommends that in the event of future disease outbreaks leading to public health measures such as stay-at-home orders, the Victorian Government should allow single parents of school-aged children to send their children to school.

#### **O Early Recommendation 1:**

Consider all single parents authorised workers for the purposes of accessing early childhood education and care services and schools during periods of COVID-19 pandemic restrictions.

#### Early Recommendation 1 outcome

The Victorian Government announced that ECEC services would be open to all single parents from 9 September 2021, regardless of their authorised worker status.<sup>14</sup>

In mid-2021, the Inquiry also recommended that Victoria provide one-off ECEC service access to parents and guardians of young children, where they could not make alternative supervision arrangements, to allow them to attend their vaccine appointments (Early Recommendation 2).

While parents/guardians were able to bring their children along when attending vaccination appointments, the challenges associated with supervising young children while lining up, social distancing and engaging with health professionals during the vaccination process could have acted as a disincentive to vaccination. Removing this barrier would incentivise more parents to get vaccinated, supporting Victoria's reopening following lockdown restrictions.

<sup>14</sup> Premier of Victoria, <u>Coronavirus Restrictions To Lift For Regional Victoria</u> [media release], Victorian Government, 2021, accessed 12 November 2021.

#### **Solution** Early Recommendation 2:

Make early childhood education and care services available for parents while they attend a vaccination appointment if they cannot make alternative supervision arrangements.

#### Early Recommendation 2 outcome

The Victorian Government announced a \$21 million package on 19 October 2021 to support Victorians facing additional barriers to vaccination, this included offering respite or occasional childcare in suburbs with low vaccination uptake.<sup>15</sup>

## The Victorian Government's COVID-19 recovery support should be gender-responsive and equitably targeted

The Victorian economy is well placed to recover throughout 2022 as the need for restrictions eases. However, it will be important for recovery efforts to focus on medium-term structural reform in addition to short-term stimulus. While employment levels are once again increasing, the Australia Institute found that, nationally, increases in women's employment following the easing of restrictions were overwhelmingly concentrated in part-time and casual jobs – a structural feature of women's employment that limits progress on closing the gender pay gap.<sup>16</sup>

Data from the Workplace Gender Equality Agency (WGEA) suggests that the national gender pay gap increased during the pandemic, due in part to an increase in earnings in construction, a majority-men industry. In Victoria, the gender pay gap increased by 2.6 percentage points over the year to May 2021 – the largest rise of any state or territory.<sup>17 18</sup>

The Inquiry recommends that the Victorian Government develop a gender-responsive whole-of-government COVID-19 pandemic recovery strategy, to help redress the longstanding structural barriers women face to achieving economic security, many of which have been exacerbated by the COVID-19 pandemic (Recommendation 1).

The insights revealed through genderdisaggregated data canvassed in this chapter demonstrate how critical it will be for the Victorian Government to take a gender lens to recovery efforts. The Inquiry recommends that the Victorian Government should ensure that intersectional and gender-disaggregated data is considered in the recovery decision-making processes.

A gender-responsive COVID-19 recovery strategy would increase investment in the care and community sector and address the under-valuation of the care professions. Skills shortages are expected to intensify in the aged care, childcare, disability care, community services, specialist education, and mental health sectors, and could potentially be experienced sooner than forecast as the pressures of the pandemic increase burnout and attrition among these existing workforces. Investment in these majority-women sectors can generate more job opportunities for women, but it should also improve earnings and working conditions for workers in these sectors. We need to invest in 'human infrastructure' - the workforce that provides these services we depend on - as well as capital or 'physical infrastructure'.<sup>19</sup>

- 17 As measured by average full-time adult weekly ordinary time earnings.
- Workplace Gender Equality Agency (WGEA), <u>Australia's Gender Pay Gap Statistics</u>, Australian Government, 2021, accessed 12 November 2021.
- 19 A Jackson and L Risse, Evidence-based steps towards economic equity for Victorian women: An analytical report to support the Victorian Inquiry, unpublished.

<sup>15</sup> Premier of Victoria, <u>Coronavirus Restrictions To Lift For Regional Victoria</u> [media release], Victorian Government, 2021, accessed 12 November 2021.

<sup>16</sup> A Pennington, <u>Women's Casual Job Surge Widens Gender Pay Gap</u>, Centre for Future Work, The Australia Institute, 2021, accessed 12 November 2021.

## Government stimulus should provide catchup support to industries hardest hit by restrictions

The Victorian Government should prioritise support to industries that have been hardest hit by job losses or reductions in hours worked.

Historically, government support for service-based industries, such as hospitality and the creative arts, has lagged behind support for industries such as construction that mostly employ men.

Between February 2020 and May 2020, the national construction sector lost less than 5 per cent of its work hours but received more than \$35 billion of assistance from the Commonwealth Government, whereas the hospitality sector lost more than 47 per cent of its work hours but received about \$1.3 billion of direct government assistance.<sup>20</sup>

In Victoria, hospitality, creative industries and the arts have been the industries most impacted by public health restrictions. The number of jobs in these industries fell by between 30 to 40 per cent at the height of restrictions.<sup>21</sup> The Tertiary Education industry has also been negatively impacted by the closure of borders and the subsequent fall in international students. The Victorian Government's COVID-19 pandemic support should provide extra funding to these hardest-hit sectors.

# ( Recommendation 1:

The Inquiry recommends that the Victorian Government:

Develop a gender-responsive whole-ofgovernment COVID-19 pandemic recovery strategy. The strategy should:

- provide assistance on the basis of gender-disaggregated data about which industries have been hardest hit by job losses
- provide dedicated and significant catch-up support to the hospitality and arts and creative industries to alleviate the severe impacts of job losses
- c. increase public spending in critical human infrastructure including social, community and health services
- ensure gender and intersectional data is collected and considered as part of COVID-19 pandemic recovery planning, decision-making and spending
- e. fund re-skilling programs to support women to move into new and emerging industries.

# The exacerbation of existing inequities has demonstrated the critical need for intersectional considerations to be embedded across government work

Women face a range of specific and intersecting barriers to economic equity. For many, gender inequality may be compounded by other forms of disadvantage or discrimination such as race, Aboriginality, religion, ethnicity, disability, age, sexual orientation and gender identity.

<sup>20</sup> D Wood, K Griffiths and T Crowley, <u>Women's work: The impact of the COVID Crisis on Australian women</u>, Grattan Institute, 2021, accessed 11 November 2021.

<sup>21</sup> ABS, Weekly Payroll Jobs and Wages in Australia, ABS website, November 2021, accessed 13 December 2021.

Victorian populations who were already experiencing inequality have been profoundly and disproportionately impacted by the COVID-19 pandemic. This underscores the need for all Victorian Government departments to embed greater consideration of intersectionality into everyday government decision-making processes.

The Inquiry recommends that the Victorian Government ensures that the business of government considers the diverse needs of the Victorian population it serves (Recommendation 2).

One of the first hurdles to effective implementation of an intersectional approach is the collection of data. As part of meeting obligations under the *Gender Equality Act 2020*, Victorian Government departments should ensure all new policies, programs and services that are targeted towards women from diverse communities and social groups are based on the paid knowledge, skills, and expertise of the women they are designed to support, and prioritise women's active participation in the design and delivery of all policies, programs and services.

#### **()** Recommendation 2:

The Inquiry recommends that the Victorian Government:

Embed co-design and co-delivery practices across Victorian Government policies, programs and services targeted at women from diverse communities and social groups.

## The work of the Office for Women is fundamentally important to addressing entrenched economic inequities

Through its work as the central policy unit for women's policy in Victoria, the Office for Women is in a key position to drive reforms across the State and ensure accountability for delivery. Gender equality is a long-term goal requiring sustained long-term investments - this work must be supported through suitable and ongoing funding in the same way that policy units across other portfolios including employment and infrastructure are funded. Tried and tested as well as new and innovative solutions to address entrenched inequality and disadvantage, such as those contained in Victoria's refreshed gender equality strategy, Safe and Strong, must be given priority funding by the Victorian Government (Recommendation 3).

#### **O** Recommendation 3:

The Inquiry recommends that the Victorian Government:

Increase ongoing investment in gender equality policy initiatives, such as funding to implement the *Safe and Strong* gender equality strategy.







Re-balancing the load of unpaid work and care – tackling a core barrier to women's workforce participation

This chapter will canvass the barriers women face to greater workforce participation and set out recommendations that aim to support parents and carers and improve access to quality early childhood education and care.

# 2.1

# Best practice approach to supporting parents and carers

#### Recommendation 4:

Establish a nation-leading best practice approach to supporting parents and carers in the Victorian public sector that:

- models a best practice approach to paid parental leave including an equal, non-transferable entitlement to paid parental leave for all parents
- models a best practice approach to part-time, flexible, and remote work
- c. sets targets for the number of fathers and partners taking their full entitlement of parental leave.

#### **③** Finding 3:

The Victorian Government can advocate to the Australian Government for reforms to parental leave pay schemes that encourage greater equity between partners.

#### **③** Finding 4:

The Victorian Government can advocate to the Australian Government to strengthen protections for parents and carers in the *Fair Work Act 2009* and National Employment Standards.

#### **③** Finding 1:

The Victorian Government can remove the distinction between primary and secondary caregivers in future enterprise agreements. Future agreements could maintain the requirement for fathers and partners to parent alone for a period by setting a maximum number of weeks of leave that both parents can take concurrently.

### **Q** Finding 5:

The Victorian Government can expand the Secure Work Pilot Scheme to cover all people working in occupations with no existing access to leave entitlements who meet the criteria for insecure work, pending a successful evaluation of the existing pilot scheme.

#### **③** Finding 2:

The Victorian Government can invest more in supports and incentives that encourage fathers and partners to take parental leave in the public sector, including an awareness campaign on the value of unpaid care in the home and the importance of shared domestic roles. 'Achieving gender equity and mobilising the economic potential of women requires a rebalancing in who performs [unpaid care] within households and how it is valued, to reflect its true value to society and the economy.'

Dr Leonora Risse and Dr Angela Jackson<sup>1</sup>

# 1. Introduction

Victorian women carry a disproportionate share of unpaid caring and domestic responsibilities. Women do almost twice as much unpaid care work as men.<sup>2</sup> This prevents women from participating in the formal economy to their full capabilities. Redistributing some of women's unpaid caring and domestic responsibilities will free women up to engage more in paid work, reduce their risk of poverty, and increase productivity across the Victorian economy.

As outlined in Chapter 1: Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic, women's usual unpaid load has been compounded by the COVID-19 pandemic. Across 2020 to 2021, women took on a greater share of home-schooling responsibilities and care for elderly or disabled relatives.<sup>3 4</sup> As a result, women withdrew from the labour force or reduced their working hours in greater numbers than men.<sup>5</sup>

Women's disproportionate share of caring responsibilities came through as a strong theme across submissions and consultations to the Inquiry. The Inquiry has focused recommendations on the policy changes that will be most impactful at the state level.

- 4 Australian Bureau of Statistics (ABS), Household Impacts of COVID-19 Survey, May 2021, accessed 11 November 2021.
- 5 D Wood, K Griffiths and T Crowley, <u>Women's work: The impact of the COVID Crisis on Australian women</u>, Grattan Institute, 2021, accessed 11 November 2021.

<sup>1</sup> A Jackson and L Risse, Evidence-based steps towards economic equity for Victorian women: An analytical report to support the Victorian Inquiry, unpublished.

<sup>2</sup> Workplace Gender Equality Agency (WGEA), <u>Removing the motherhood penalty</u>, Australian Government, 2018, accessed 11 November 2021.

<sup>3</sup> D Wood, K Griffiths and T Crowley, <u>Women's work: The impact of the COVID Crisis on Australian women</u>, Grattan Institute, 2021, accessed 11 November 2021.

# 2. Key issues

# The 'motherhood penalty' is a major source of economic inequity for Victorian women

Research suggests that raising children leads to a 17 per cent reduction in lifetime earnings for Australian women.<sup>6</sup> Each additional child lowers a mother's future earnings. A study using the Household Income and Labour Dynamics (HILDA) survey found that the first child lowers a mother's future hourly wage by around 5 per cent and having two or more children lowers her wages by around 9 per cent. The motherhood penalty emerges over time, rather than immediately, largely because mothers are more likely to work part-time (reflecting their higher unpaid caring and domestic load) so their wages grow more slowly. The motherhood penalty may also be caused by discrimination and everyday bias. For example, if employers believe that mothers will be less productive it may worsen their contract terms and limit their hours, and development and promotion opportunities.<sup>7</sup> The motherhood penalty is highest for women without a post-school gualification.<sup>8</sup>

The division of labour within Australian families, which sees mothers as caregivers and fathers as breadwinners, is one of the most skewed in the developed world.<sup>9</sup> Research also indicates that parents are not happy with this split in caring and paid work. Only 15 per cent of parents feel they can balance work and family responsibilities, and young Australian fathers report that they want to share the care of children more equally with their partner.<sup>10</sup>



<sup>6</sup> Diversity Council Australia, *The motherhood penalty: Why mothers face the widest gender pay gap* [media release], 2014, accessed 11 November 2021.

- Diversity Council Australia, <u>The motherhood penalty: Why mothers face the widest gender pay gap</u> [media release], 2014, accessed
   11 November 2021.
- 9 D Wood, O Emslie and K Griffiths, <u>Dad days: how more gender equal parental leave could improve the lives of Australian families</u>, Grattan Institute, 2019, accessed 11 November 2021.
- 10 E Hill, M Baird, R Vromen, Z Meers and E Probyn, Young women and men: Imagined futures of work and family formation in Australia, Journal of Sociology, 2009, vol 55 (4), p.778 798.

<sup>7</sup> T Livermore, *The Effect of Motherhood on Wages and Wage Growth: Evidence for Australia*, Melbourne Institute, 2010, accessed 11 November 2021.

## CASE STUDY

#### Looking to frameworks in other jurisdictions

Nordic countries, including Iceland, which is ranked first in global gender equality rankings, have implemented a campaign to support and celebrate men who play an active role in parenting.<sup>11</sup> <sup>12</sup> The Nordic Council of Ministers has partnered with the Swedish organisation *Män* and the international organisation *Promundo*, to report on the research and initiatives in their regular 'State of the World's Fathers' reports.<sup>13</sup> This initiative advocates for a 50 per cent goal for men's contribution to unpaid care:

'Setting a bold, measurable goal – men and boys doing fully 50 percent of unpaid care work – is the next step. While many development goals and objectives are given specific targets, men's equitable contribution to caregiving has yet to be approached with such specificity. This target does not mean that, at an individual level, each person needs to contribute identical work. Rather, the goal is equality at the national and global levels, with broad patterns of unpaid care no longer determined by gender. It is time to build on strong new commitments with a bold, specific target: fully gender equal caregiving'.<sup>14</sup>

## Caring for elderly family members and family members with disability can also make workforce participation challenging for women

Raising children is just part of the unpaid care and domestic workload that disproportionately falls on women. More than 12 per cent of Australian women and 9 per cent of men care for an elderly person or a person with disability, usually a family member. In 2018, 7 in 10 primary carers were women.<sup>15</sup>

Carers need flexibility in the hours and ways that they work because they may need to respond to urgent or changing care needs. This can be particularly challenging for carers of people with mental health or medical conditions, where heightened care needs may be episodic, complex and unpredictable.

## Unpaid caring contributes enormous value to the economy, yet it is undervalued

Deloitte Access Economics found that unpaid work and care in Victoria was worth \$206 billion in 2017-18, which is approximately half of Victoria's gross state product.<sup>17</sup> This figure includes the economic value provided by household and domestic work, caring for the ill, disabled and elderly, caring for children and volunteer work. According to the Workplace Gender Equality Agency (WGEA), the value of unpaid childcare in Australia is about \$345 billion, almost three times the value of the financial and insurance sectors combined.<sup>18</sup> The current focus on GDP measures means that governments and society fail to capture the true value of unpaid work.

11 C Cederström, Dads encourage dads in new Nordic campaign, Nordic Co-operation, 2019, accessed 22 November 2021.

<sup>12</sup> A Jackson and L Risse, Evidence-based steps towards economic equity for Victorian women: An analytical report to support the Victorian Inquiry, 2021, unpublished.

<sup>13</sup> Promundo and MenCare, <u>State of the World's Fathers: Structural Solutions to Achieve Equality in Care Work 2021</u>, MenCare, 2021, accessed 22 November 2021.

<sup>14</sup> B Heilman, R Levtov, N van der Gaag, A Hassink and G Barker, <u>State of the World's Fathers: Time for Action</u>, MenCare, 2017, accessed 22 November 2021.

<sup>15</sup> Over one-third of primary carers have disability themselves, which is twice the rate of non-carers. ABS, *Disability, Ageing and Carers, Australia: Summary of Findings*, ABS website, October 2019, accessed 11 November 2021.

<sup>16</sup> Department of Health and Human Services, <u>Recognising and supporting Victoria's carers Victorian carer strategy 2018–22</u>, State of Victoria, 2018, accessed 11 November 2021.

<sup>17</sup> D Rumbens and E Grey, The value of unpaid work and care, Deloitte Access Economics, 2019, accessed 11 November 2021.

<sup>18</sup> WGEA, <u>Removing the motherhood penalty</u>, Australian Government, 2018, accessed 11 November 2021.

# 3. Findings and Recommendations

The Victorian Government has an opportunity to establish a nation-leading best practice approach to supporting parents and carers in the Victorian public sector

The Victorian Government is the largest employer in the state and the Victorian public sector represents 9 per cent of the Victorian labour force.<sup>19</sup> This provides the Victorian Government with an opportunity to demonstrate leadership to other sectors and jurisdictions as a model employer.

The Inquiry recommends that the Victorian Government establish a nation-leading best practice approach to supporting parents and carers in the Victorian public sector (Recommendation 4) that includes the following key aspects:

# Model best practice approach to paid parental leave

Research demonstrates that parenting habits and division of caring responsibilities in place when a child is born tend to persist later in life.<sup>20</sup> Most parental leave policies reinforce the traditional gender roles of mothers as caregivers, and fathers and partners as breadwinners. Short periods of leave entitlement reinforce these norms.<sup>21</sup>

Many stakeholders strongly advocated for giving all Victorian fathers and partners access to a period of non-transferable paid parental leave on a 'use it or lose it' basis.<sup>22</sup> These stakeholders noted that fathers and partners need to spend time caring for children alone to learn the key parenting skills that they may otherwise leave to the mother. They also learn the mental workload required to care for children, develop a stronger relationship with their child, and establish patterns and relationships that persist throughout their child's life. Children also benefit from having both parents invest time and energy in their care.<sup>23</sup>

19 Victorian Public Sector Commission, <u>Employee numbers</u>, Workforce data, facts and visuals (state of the public sector), Victorian Government, 2020, accessed 12 November 2021.

<sup>20</sup> D Wood, O Emslie and K Griffiths, *Dad days: how more gender equal parental leave could improve the lives of Australian families,* Grattan Institute, 2019, accessed 11 November 2021.

<sup>21</sup> D Wood, O Emslie and K Griffiths, *Cheaper childcare: A practical plan to boost female workforce participation*, Grattan Institute, 2020, accessed 11 November 2021.

<sup>22</sup> Stakeholders include: The Australian Services Union, Professor Marian Baird, Professor Andrea Carson, The Centre for Future Work, Champions of Change Coalition, Chief Executive Women, Financy, Good Shepherd, The Grattan Institute, Associate Professor Elizabeth Hill, Dr Angela Jackson, KPMG, Merri Health, The National Association of Women in Operations, The Retail and Fast Food Workers Union, Dr Leonora Risse, the Salvation Army, SDA Victoria, The Sex Discrimination Commissioner, Victorian Council of Social Service, The Victorian Trades Hall Council, and WIRE.

<sup>23</sup> D Wood, O Emslie and K Griffiths, <u>Dad days: how more gender equal parental leave could improve the lives of Australian families</u>, Grattan Institute, 2019, accessed 11 November 2021.

# CASE STUDY

#### World's best practice parental leave policies

Nordic countries that have implemented dedicated parental leave for fathers experienced a significant increase in uptake by men. Iceland and Norway have a three-part leave system. In Iceland, there are 13 weeks allotted to the father, 13 weeks to the mother, and 13 weeks to share. In Norway, there are 15 weeks allotted to each parent and 16 to share. In 1993, Norway became the first country to introduce dedicated leave for fathers, and the number of men who took parental leave has since skyrocketed from 4 per cent to 70 per cent. When Iceland introduced their three-part system in 2002, the number of fathers who took leave increased from less than 1 per cent to 80 per cent in just a few years.<sup>24</sup> The implementation of the 'Daddy Quota' in Sweden doubled the number of fathers who took up leave.<sup>25</sup>

The Victorian Public Service recently introduced changes to parental leave in the *Victorian Public Service Enterprise Agreement 2020* (Agreement).<sup>26</sup> The paid parental leave entitlement for primary carers increased from 14 weeks to 16 weeks from the time of birth or adoption. Secondary carers are also entitled to up to 16 weeks of paid parental leave, with the following conditions:

- all secondary carers are entitled to four weeks paid parental leave from the time of birth or adoption (increased from two weeks)
- a further 12 weeks paid leave is available to a secondary caregiver who takes over primary care for the child within the first 78 weeks (18 months) of the birth or adoption. This means the second period of paid parental leave cannot be taken concurrently with the child's mother.

The Inquiry recommends that the Victorian Government adopt provisions like those in the Agreement in the next iteration of the Public Sector Industrial Relations Policies (last reviewed in 2015) and progressively in all Victorian public sector enterprise agreements as they come up for negotiation (over the next four years), including for police and emergency services, public hospital staff, public school staff and others. Under the Agreement, superannuation is paid on all paid and unpaid parental leave for the primary caregiver as a lump sum when the employee returns to work. The Inquiry recommends this provision be extended to all parents.

The Agreement also gives more flexibility for how leave can be taken. In the past, parental leave had to be taken in a single unbroken period. This has now been amended to enable parents to share care in a way that suits them.

The Agreement maintains the distinction between primary and secondary caregivers. While this ensures that fathers and partners must undertake a period as their child's primary caregiver and build those key parenting skills, this distinction maintains the gender norm that sees mothers as the default primary caregiver. It also reduces flexibility for families that want to take more leave concurrently.<sup>27</sup>

The Inquiry recommends that future enterprise agreements remove the distinction between primary and secondary caregivers. However, future agreements could maintain the requirement for fathers and partners to parent alone for a period by setting a maximum number of weeks that both parents can take leave concurrently.

<sup>24</sup> C Cederström, State of Nordic Fathers, Nordic Council of Ministers, 2019, accessed 11 November 2021.

<sup>25</sup> Organisation for Economic Co-operation and Development (OECD), *Parental leave: Where are the fathers?*, 2016, accessed 11 November 2021.

<sup>26</sup> FairWork Commission, Victorian Public Service Enterprise Agreement 2020, Australian Government, 2020, accessed 11 November 2021.

<sup>27</sup> For example, after a caesarean birth mothers are advised not to drive for six weeks and many mothers need more support during that time.

While there are a range of programs designed to support pregnant employees, parents on parental leave and parents returning to the workforce to promote retention and progression, many programs in this space are still at an early stage and have not been subject to rigorous impact evaluation.<sup>28</sup>

Modelling commissioned by the Inquiry from Equity Economics and Victoria University found that promoting equal sharing of parental care between partners could boost Victoria's long-term overall economic activity.<sup>29</sup> The modelling predicted that if the Victorian Government expanded access to 16 weeks paid parental leave from employees covered under the Agreement to all employees of Victorian Public Entities, Victoria's long-term GDP could be improved by 0.32 per cent.<sup>30 31</sup> At full implementation, the scheme would affect an estimated 2.5 per cent of employed women, enabling 1 in 40 women to increase their productivity and hours worked. This expansion would lead to a meaningful increase in incomes and women's superannuation balances, leading to greater financial independence and reduced gender inequality.<sup>32</sup>

# Model best practice approach to part-time, flexible, and remote work

Australian women are three times more likely to be working part-time than men, primarily because of their higher unpaid caring load.<sup>33</sup> Many stakeholders discussed the need for more secure part-time work opportunities, particularly in leadership roles.<sup>34</sup>

Stakeholders also stressed that the COVID-19 pandemic and work from home orders have shown that remote work is possible and productive.<sup>35</sup> They emphasised the need to maintain an enabling culture around remote work in the future and to ensure there is no disadvantage for workers who wish to continue working remotely.

- 28 Programs include Grace Papers and CircleIn's Parents Portal. The Victorian Public Service (VPS) recently ran a pilot program with the Grace Papers platform. An evaluation of the program showed 70 per cent of participants gained a better understanding of how to initiate and manage their career transitions, and 78 per cent felt more confident about approaching their manager about parental leave or flexible work arrangements. Participants identifying as LGBTQI+ or culturally diverse had higher benefits from the program. Grace Papers, <u>Grace Papers champions change in the Victorian Public Service</u>, 2021, accessed 11 November 2021.
- 29 Associate Professor Janine Dixon, Dr Leonora Risse and Dr Angela Jackson, *Inquiry into Economic Equity for Victorian women Modelling of Economic Benefits of Proposed Reforms*, Equity Economics and Victoria University, unpublished.
- 30 Increasing the amount of paid parental leave for both parents aims to increase the amount of time fathers take off in the first years of a child's life, and re-balance caring and other responsibilities in the home allowing women more capacity to undertake paid work.
- 31 The Inquiry notes this modelling is focused on expanding parental leave entitlements under the *Victorian Public Service Enterprise* Agreement 2020 to all employees of Victorian Public Entities. This modelling does not consider the economic impact of similar entitlements being expanded to all employees across Victoria, however it is assumed that this would result in a larger boost to long-term economic activity in Victoria.
- 32 Associate Professor Janine Dixon, Dr Leonora Risse and Dr Angela Jackson, *Inquiry into Economic Equity for Victorian women* Modelling of Economic Benefits of Proposed Reforms, Equity Economics and Victoria University, unpublished.
- 33 WGEA, <u>Removing the motherhood penalty</u>, Australian Government, 2018, accessed 11 November 2021.
- 34 Stakeholders noted that too much part-time work is casualised and women often end up in less secure employment. Stakeholders include: Australian Human Rights Commission, Australian Services Union, Professor Marian Baird, The Council of Single Mothers and their Children, Chief Executive Women, Gender Equity Victoria, Financy, Future of Work Lab, Good Shepherd, Health and Community Services Union, Professor Elizabeth Hill, National Foundation for Australian Women, Retail and Fast Food Workers Union, Dr Leonora Risse, Sex Discrimination Commissioner, SDA Victoria, Victorian Multicultural Commission, Victorian Trades Hall Council, Victorian Women Lawyers, Women's Health Goulburn North East, and Women's Health in the North.
- 35 Stakeholders include: Professor Marian Baird, The Council of Single Mothers and their Children, Future of Work Lab, Good Shepherd, Professor Elizabeth Hill, National Foundation for Australian Women, Dr Leonora Risse, and Women's Health in the North.

Flexible, part-time, and remote work can help women manage competing demands of work and family life. However, these working arrangements can disadvantage women if only women take them up.<sup>36</sup> The Inquiry recommends that the Victorian Government ensures that all genders in the Victorian public sector have equitable access to and uptake of part-time, flexible, and remote work arrangements and encourage men to take up these options as well. It is also critical to ensure that flexible, part-time and remote work arrangements are available at all levels of seniority and that workers who make use of these arrangements are not disadvantaged in terms of recognition, progression and promotion.

This recommendation builds on the existing 'All Roles Flex' policy in the Victorian public service, while focusing on driving uptake of the policy among fathers and partners. The Victorian Government will need to consider how the 'All Roles Flex' policy could be expanded into other parts of the public sector.<sup>37</sup>

#### Set targets for the number of fathers and partners taking their full entitlement of parental leave

Targets are a key lever available to the Victorian Government to encourage fathers' and partners to take parental leave. The Inquiry recommends that the Victorian Government collect data on paid and unpaid parental leave taken by parents, including those from diverse backgrounds and social groups, and monitor current trends to measure the impact of enterprise agreement changes.

Going forward, the Commission for Gender Equality in the Public Sector (CGEPS) will collect detailed data on the rates at which men and women access both paid and unpaid parental leave. This will enable CGEPS to monitor trends and advise government on barriers to uptake and suitable policy responses. Once the relevant provisions are in place and the data is available to assess rates of uptake, the Inquiry recommends the Victorian Government set a series of targets to increase uptake of both paid and unpaid parental leave among fathers and partners. The Inquiry's long-term vision is for Victoria to achieve gender parity in the duration of parental leave taken by all parents.

Workplaces must ensure they build a culture that encourages everyone to use these policies. Further interventions, incentives and supports may be needed in the medium-term if cultural barriers prevent fathers and partners from taking-up their leave entitlements and part-time, flexible, and remote work arrangements.

#### **()** Recommendation 4:

The Inquiry recommends that the Victorian Government:

Establish a nation-leading best practice approach to supporting parents and carers in the Victorian public sector that:

- models a best practice approach to paid parental leave including an equal, non-transferable entitlement to paid parental leave for all parents
- models a best practice approach to part-time, flexible, and remote work
- c. sets targets for the number of fathers and partners taking their full entitlement of parental leave.

L Ruppanner and J Meekes, *Flexible work arrangements help women, but only if they are also offered to men*, *The Conversation*, 2021, accessed 11 November 2021.

<sup>37</sup> Flexible working hours and remote work may not be suitable in public hospitals and schools; however, at a minimum, secure part-time work should be available to everyone.

## **③** Finding 1:

The Victorian Government can remove the distinction between primary and secondary caregivers in future enterprise agreements. Future agreements could maintain the requirement for fathers and partners to parent alone for a period by setting a maximum number of weeks of leave that both parents can take concurrently.

#### **③** Finding 2:

The Victorian Government can invest more in supports and incentives that encourage fathers and partners to take parental leave in the public sector, including an awareness campaign on the value of unpaid care in the home and the importance of shared domestic roles.

## The Australian Government can reform its Parental Leave Pay schemes to encourage greater equity between partners

The Australian Government's Parental Leave Pay scheme reinforces gender norms about who performs care work in the home. The scheme entitles the primary carer to 18 weeks of Parental Leave Pay at minimum wage, in addition to any employer scheme. Parental Leave Pay is explicitly allocated to 'the birth mother of a newborn child', who can transfer part or all her leave to the father or her partner under certain conditions.<sup>38</sup> The secondary carer leave, titled Dad and Partner Pay, is two weeks at minimum wage.<sup>39</sup> Almost all Parental Leave Pay recipients are women (99.5 per cent). Almost all Dad and Partner Pay recipients are men (99.5 per cent) but uptake of the scheme is only half that of Parental Leave Pay.<sup>40</sup> The schemes do not currently attract the superannuation guarantee and the interruption in accumulation disproportionately impacts women.

The Australian Government could increase the total paid parental leave that a couple can access to 26 weeks with at least six weeks per parent under a 'use it or lose it' model and bonus weeks for couples that share the leave more equally. Single parents would be able to access all 26 weeks. This is in line with recommendations from the Grattan Institute and KPMG.<sup>41 42</sup> The Grattan Institute estimates such a scheme would cost an extra \$600 million a year and predicts that with a strong uptake it would increase GDP by \$900 million a year by increasing workforce participation from mothers.<sup>43</sup>

An ambitious Australian Government could also consider more generous payments in line with international best practice, such as:

- increasing the paid parental leave scheme to 36 weeks, with 12 weeks for each parent, and a further 12 weeks to share between them, with single parents eligible for the full 36 weeks. Countries with more dedicated parental leave for fathers have more even sharing of unpaid work between parents, enabling women to participate more in the paid economy
- paying the future scheme at a rate closer to wage-replacement to make fathers and partners more likely to take leave.<sup>44</sup> This would substantially improve women's economic security by ensuring they can maintain close to their average income while on parental leave. Single parents, the majority of whom are women, who cannot rely on a partner's second wage, would particularly benefit from higher payments.

38 Services Australia, *Parental Leave Pay*, Australian Government, 2021, accessed 11 November 2021.

39 Ibid.

<sup>40</sup> D Wood, O Emslie and K Griffiths, *Cheaper childcare: A practical plan to boost female workforce participation*, Grattan Institute, 2020, accessed 11 November 2021.

<sup>41</sup> KPMG, Enhancing work life balance: A better system of Paid Parental Leave, KPMG website, 2021, accessed 11 November 2021.

<sup>42</sup> D Wood, O Emslie and K Griffiths, *Dad days: how more gender equal parental leave could improve the lives of Australian families*, Grattan Institute, 2019, accessed 11 November 2021.

<sup>43</sup> Ibid.

<sup>44</sup> OECD, Parental leave: Where are the fathers?, 2016, accessed 11 November 2021.

#### **(a)** Finding 3:

The Victorian Government can advocate to the Australian Government for reforms to parental leave pay schemes that encourage greater equity between partners.

## Protections for parents and carers beyond the Victorian public sector could also be strengthened

As set out in Chapter 1: *Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic,* women's underemployment has been exacerbated by the COVID-19 pandemic. Stakeholders noted the stark contrast between secure, full-time work in majority-men industries, and insecure, part-time or casual work in majority-women industries.<sup>45</sup> Women are more likely to be in casual roles (women fill 54 per cent of all casual positions nationally) and women's vulnerability to casualisation is growing.<sup>46</sup> Many part-time employees are treated as casuals.<sup>47</sup>

Stakeholders<sup>48</sup> also noted that because changing work schedules are incompatible with formal early childhood education and care, many more workers must rely on informal care.

Noting that women take on most of the unpaid care for children and family members, they are more likely to require leave to meet caring obligations. This can lead to financial disadvantage when they do not have paid leave entitlements.

The Victorian Government can advocate to the Australian Government to strengthen protections for all parents and carers in the *Fair Work Act 2009* and National Employment Standards. The Victorian Government invested \$5 million over two years in the 2020-21 State Budget for the Secure Work Pilot Scheme.<sup>49</sup> The pilot will provide up to a total of five days a year of sick or carer's pay at the national minimum wage for casual or insecure workers in priority industries. Workers in occupations with high levels of insecurity, such as aged care staff, cleaners, hospitality staff, security guards and supermarket workers, will be among the first included in the scheme.<sup>50</sup> A few stakeholders suggested the Victorian Government expand this scheme to more majority-women industries and casual workers.<sup>51</sup> The Inquiry suggests that once it is successfully evaluated, the Victorian Government expand the Secure Work Pilot Scheme to cover all occupations with no existing access to leave entitlements that meet the criteria for insecure work.

#### **(a)** Finding 4:

The Victorian Government can advocate to the Australian Government to strengthen protections for parents and carers in the *Fair Work Act 2009* and National Employment Standards.

#### **③** Finding 5:

The Victorian Government can expand the Secure Work Pilot Scheme to cover all people working in occupations with no existing access to leave entitlements who meet the criteria for insecure work, pending a successful evaluation of the existing pilot scheme.

50 Ibid.

<sup>45</sup> Stakeholders include: Australian Nursing and Midwifery Federation, Australian Services Union, Gender Equity Victoria, Health and Community Services Union, Professor Elizabeth Hill, Life Patterns (University of Melbourne), SDA Victoria, United Workers Union, and Victorian Trades Hall Council.

<sup>46</sup> A Pennington, <u>Women's Casual Job Surge Widens Gender Pay Gap</u>, Centre for Future Work, The Australia Institute, 2021, accessed 12 November 2021.

<sup>47</sup> Employee representative organisations described their members' experiences of being 'kept hungry' for work hours so that they need to accept shifts at short notice to make ends meet. Stakeholders include: Australian Nursing and Midwifery Federation, Australian Services Union, Health and Community Services Union, SDA Victoria, and United Workers Union.

<sup>48</sup> Stakeholders include: Gender Equity Victoria, Professor Elizabeth Hill, and SDA Victoria.

<sup>49</sup> Premier of Victoria, Protecting Victoria's Most Vulnerable Workers [media release], 2021, accessed 16 November 2021.

<sup>51</sup> Stakeholders include: The Office for Women, and the Retail and Fast Food Workers Union.

# 2.2

# Improving access to quality early childhood education and care

#### **()** Recommendation 5:

Establish a coalition of states that will collectively advocate to the Australian Government for greater investment in and stewardship of early childhood education and care.

#### **O** Recommendation 7:

Ensure Victorian early childhood education and care services are of the highest quality as the sector expands by investing in educators, teachers, and the enforcement of quality standards.

#### **()** Recommendation 6:

Expand the Kindergarten Fee Subsidy into all early childhood education and care providers offering a funded kindergarten program.

#### **()** Recommendation 8:

Commit to ensuring all children, including children with disability, can access appropriate and high-quality outside school hours care.



'A high-quality, universally accessible and affordable ECEC sector underpins women's economic security. It allows women to work, which supports their short- and long-term economic wellbeing.'

Minderoo Foundation Thrive by Five<sup>52</sup>

# 1. Introduction

Existing Australian research shows a strong link between increased funding for early childhood education and care (ECEC) and economic gains, including higher workforce participation (especially for women), productivity, and real GDP growth. The Grattan Institute estimates that increasing the highest rate of the Child Care Subsidy (CCS) from 85 to 95 per cent would cost \$5 billion per year, but would increase GDP by \$11 billion per year.<sup>53</sup>

ECEC also has enormous benefits for children's development that have been extensively studied in Australia and internationally. Research has consistently shown that the social and economic benefits of investing in quality ECEC far exceeds the cost of services.<sup>54 55 56</sup> The quality of ECEC is a critical consideration for families and the Inquiry does not support lowering quality standards or reducing ECEC staff qualification or ratio requirements, as this could adversely impact on the health, safety, learning and development of children.

# 2. Key issues

The ECEC system and funding arrangements are complex with a mix of funding from the Australian Government and the Victorian Government

ECEC includes long-day care, family day care, kindergarten, and other services. The ECEC sector in Australia includes a broad mix of private (48 per cent), not-for-profit (36 per cent), government-run (8 per cent), and school-based (8 per cent) services.<sup>57</sup>

In broad terms, the Australian Government is responsible for subsidising childcare to support parents' workforce participation, and the Victorian Government is responsible for funding kindergarten as part of the education system.

53 D Wood, O Emslie and K Griffiths, <u>Cheaper childcare: A practical plan to boost female workforce participation</u>, Grattan Institute, 2020, accessed 11 November 2021.

<sup>52</sup> Minderoo Foundation Thrive by Five, Submission to the Inquiry into economic equity for Victorian women, 2021.

<sup>54</sup> Centre on the Developing Child, *InBrief: The Science of Early Childhood Development*, Harvard University, 2017, accessed 11 November 2021.

<sup>55</sup> PwC, <u>A Smart Investment for a Smarter Australia: Economic analysis of universal early childhood education in the year before school</u> in <u>Australia</u>. The Front Project, 2019, accessed 11 November 2021.

<sup>56</sup> S Pascoe and D Brennan, Lifting our Game: Report of the review to achieve educational excellence in Australian school through early childhood intervention, 2017, accessed 11 November 2021.

<sup>57</sup> D Wood, O Emslie and K Griffiths, <u>Cheaper childcare: A practical plan to boost female workforce participation</u>, Grattan Institute, 2020, accessed 11 November 2021.

The Australian Government's CCS is a means tested subsidy that reduces the out of pocket fees for families. The CCS rate decreases as the family's income increases.<sup>58</sup>

The Victorian Government funds 15 hours of kindergarten delivered by a bachelor-qualified teacher for all four-year-old children and is progressively rolling out kindergarten for all three-year-old children.<sup>59</sup>

## Cost and the subsidy rates create barriers to greater ECEC use and workforce participation

Childcare costs and the poor financial payoff of taking on more paid work are the most common reasons mothers cite for not doing more hours of paid work.

Full-time childcare costs are around 18 per cent of household income for an Australian couple, compared to 10 per cent in other OECD countries.<sup>60</sup>

## Limited availability and flexibility, and eligibility criteria for the CCS make ECEC inaccessible to many families

Besides cost, other barriers to accessing childcare include the availability of services in some rural and regional areas, lack of flexibility in delivery, and eligibility criteria for the CCS that excludes many families.

# Availability of services in regional and remote areas

In many rural and regional areas, there are not enough children to make childcare services viable.<sup>61</sup> The Victorian Government provides block funding for 15 kindergarten enrolments to ensure services are viable but there is no equivalent funding for childcare. This means there are fewer childcare services for children under three compared to children aged three to five.<sup>62</sup> The availability of skilled staff is also a concern for childcare and kindergarten services in rural and regional areas.<sup>63</sup>

# CASE STUDY

#### The workforce disincentive rate

The cost of childcare combined with additional taxation, loss of family benefits, and lower CCS means that many women receive little or no financial benefit from increasing their paid work beyond three days a week. The Grattan Institute describes the workforce disincentive rate:

'As women do more paid work and their incomes rise, they tend to lose some of their family benefits and their childcare subsidy on existing days worked. The 'workforce disincentive rate' – the proportion of income lost through higher taxes, lost family benefits, and higher childcare costs – is particularly punishing for women thinking about a fourth or fifth day of paid work in a week.'<sup>64</sup>

For example, in a family where both parents have the potential to earn \$60,000 per year working full-time, the second earner would be working for about \$2 per hour on her fourth day, and for free on her fifth day.

59 By 2029, all three-year-old children in Victoria will have access to 15 hours per week of funded kindergarten. Kindergarten programs are delivered in either standalone or long-day care settings.

- 60 D Wood, O Emslie and K Griffiths, <u>Cheaper childcare: A practical plan to boost female workforce participation</u>, Grattan Institute, 2020, accessed 11 November 2021.
- 61 C Tischler, K McDonald and K Reeves, *Unlocking Aspiration, Outcomes and Equity by unpacking Childcare Issues in the Wimmera Southern Mallee*, Regional Incubator for Social and Economic Research Horsham, Federation University, 2020, accessed 11 November 2021.
- 62 D Wood, O Emslie and K Griffiths, *Cheaper childcare: A practical plan to boost female workforce participation*, Grattan Institute, 2020, accessed 11 November 2021.
- 63 C Tischler, K McDonald and K Reeves, Unlocking Aspiration, Outcomes and Equity by unpacking Childcare Issues in the Wimmera Southern Mallee, Regional Incubator for Social and Economic Research - Horsham, Federation University, 2020, accessed 11 November 2021.
- 64 D Wood, O Emslie and K Griffiths, *Cheaper childcare: A practical plan to boost female workforce participation*, Grattan Institute, 2020, accessed 11 November 2021.

<sup>58</sup> At the time of writing, the average Victorian long-day care costs around \$118 a day (before subsidy). A low-income family receiving the highest CCS rate of 85 per cent, would pay around \$18 per day.

#### Lack of flexibility in delivery

Few childcare services operate on weekends, during public holidays or after hours, affecting parents with variable work hours – particularly single parents and casual workers. For parents with shared custody arrangements, services also rarely accommodate 'week-on, week-off' arrangements, forcing parents to pay for bookings on an ongoing basis even when their children are not in attendance.<sup>65 66</sup>

# Eligibility criteria for the CCS excludes many families

Since the CCS is explicitly designed to promote workforce participation, the subsidised hours of childcare that a family can access depends on a narrow 'activity test'. This can make ECEC and outside-of-school-hours care (OSHC) prohibitively expensive for parents (usually women) who cannot engage in paid work or training because they have other unpaid caring or domestic responsibilities. This particularly affects women who are carers for a family member with disability.

In addition, many migrant families do not meet the residency requirements to be eligible for the CCS. Several stakeholders noted that this severely limits workforce participation for migrant women.<sup>67</sup>

## Quality ECEC services require investing in and retaining educators and teachers, the majority of whom are women, and the enforcement of quality standards

As discussed further in Chapter 4.3: *Recognising the real value of care and community work,* workers in majority-women industries, and particularly the care and community sectors like ECEC, are undervalued and underpaid. The United Workers Union told the Inquiry that a recent survey of early childhood workers, 95 per cent of whom are women, revealed that 26 per cent of workers planned to leave the sector in the next 12 months. The top three reasons for leaving were excessive workload, low pay and feeling undervalued.<sup>68</sup>

The National Skills Commission projects that Australia's ECEC workforce will need to grow by 16,000 educators (an 11 per cent increase) and 8,000 teachers (a 17 per cent increase) in the five years to the end of 2025. Combined with declining enrolments in approved educator and teacher qualifications and people leaving the workforce, this increasing demand may lead to significant ECEC workforce shortages.<sup>69</sup>

The Inquiry commends Victorian Government's investments in ECEC quality and regulation and notes that investment should continue to expand with the sector.<sup>70</sup>

## Lack of availability of OSHC, particularly for children with disability, impacts women's workforce participation

The need for affordable and accessible childcare does not end when a child starts school. Schools do not operate hours consistent with normal work hours or provide flexibility to cater to shift-work or jobs with irregular schedules.

Outside school hours care (OSHC) provides care for school-aged children for many families. OSHC is delivered either by a school, council or a third-party provider and provides education and care for children (generally aged five to 12 years) outside of scheduled school hours and during school holidays. It is funded by the Australian Government (through the CCS) and parent fees and is regulated by the Victorian Government under a national framework.

<sup>65</sup> J A Baxter, K Hand, and R Sweid, *Flexible child care and Australian parents' work and care decision-making*, Australian Institute of Family Studies, Australian Government, 2016, accessed 11 November 2021.

<sup>66</sup> In-Home Care is an Australian Government program (part of the CCS) that is available to families where other forms of care are not available (e.g., for shift-workers or where children have complex needs). However, the program is capped at 3,200 places Australia-wide.

<sup>67</sup> Stakeholders include: Ethnic Communities' Council Victoria, Gender Equity Victoria, Multicultural Centre for Women's Health, SisterWorks, and WIRE.

<sup>68</sup> United Workers Union, Exhausted. Undervalued and Leaving: The crisis in Early Education, 2021, accessed 11 November 2021.

<sup>69</sup> Australian Children's Education and Care Quality Authority, *Shaping Our Future*, 2021, accessed 4 January 2022.

<sup>70</sup> Recent investments include more than \$46m in the 2020-21 State Budget for "Protecting children's safety and wellbeing: Early childhood regulation", as well as the Kindergarten Quality Improvement Program which commenced in 2018.

Availability is the biggest issue for many families wanting to access OSHC.<sup>71</sup> The Inquiry commends the Victorian Government's commitment to 95 per cent of government schools providing OSHC by 2024. The Government's investment in this commitment is supporting schools to establish an OSHC where it may not be viable due to a range of factors, including low student numbers, lack of appropriate space, limited access to qualified staff and/or high-quality third-party providers.

Despite this commitment, Merri Health's submission to the Inquiry highlights a gap in OSHC for children and young people with complex disability. The lack of support impacts on the workforce participation of women, who take on the bulk of care for children or family with disability.<sup>72</sup> The main barriers include the high cost and lack of availability of higher intensity OSHC with adequate staff ratios to provide more intensive personalised care.<sup>73</sup>

The Inquiry acknowledges that the Victorian Government is currently undertaking a pilot program of high intensity OSHC for children and young people with disability in six Victorian schools, but this still leaves a significant gap across the state.

## ${f Q}$ deep dive

#### Impacts of investing in support for carers of people with disability<sup>74</sup>

In Australia, 7.7 per cent of children have a disability.<sup>75</sup> Research indicates that mothers whose children have disability or poor development typically work few hours in paid employment.<sup>76 77</sup> Mothers often invest more time in children with disability or poor development and must spend more time meeting that child's needs.

Providing more services to children with disability or poor development on school grounds, such as occupational therapy, educational support and psychological support could help reduce the additional time commitment and increase the labour force participation of mothers of children with disability – a sizeable cohort of mothers in Victoria.

<sup>71</sup> The Grattan Institute found that cost of OSHC is less of a barrier than availability. D Wood, O Emslie and K Griffiths, <u>Cheaper</u> <u>childcare: A practical plan to boost female workforce participation</u>, Grattan Institute, 2020, accessed 11 November 2021.

<sup>72</sup> Merri Health's submission to the Inquiry highlighted that when school-aged children with disability are unable to attend standard afterschool care and school holiday programs, the caring onus falls onto the mother in most cases.

<sup>73</sup> The Inquiry understands funding under the National Disability Insurance Scheme (NDIS) is limited in its capacity to be utilised to support access to OSHC and CCS and is insufficient to cover the costs of high-intensity OSHC services, with increased parent fees and a subsequent lack of market provision.

<sup>74</sup> A Jackson and L Risse, Evidence-based steps towards economic equity for Victorian women: An analytical report to support the Victorian Inquiry, unpublished.

<sup>75</sup> Australian Bureau of Statistics (ABS), Disability, Ageing and Carers, Australia: Summary of Findings, 2019, accessed 11 November 2021.

<sup>76</sup> E T Powers, New Estimates of the Impact of Child Disability on Maternal Employment, American Economic Review, 2001, 91 (2), accessed 11 November 2021.

<sup>77</sup> P Frijters, D W Johnston, M Shah and M A Shields, <u>To Work or Not to Work? Child Development and Maternal Labor Supply</u>, American Economic Journal, 2009, Applied Economics, 1 (3), accessed 11 November 2021.

## 3. Findings and Recommendations

# The Australian ECEC system requires national investment and stewardship

Almost all stakeholders said that improving the cost and availability of ECEC was the best way to increase women's workforce participation and economic equity.<sup>78</sup>

The Inquiry recommends that the Victorian Government establish a coalition of states that will collectively advocate to the Australian Government for greater investment in and stewardship of early childhood education and care (Recommendation 5).

Providing free and high-quality ECEC to all Australian children would be in line with international best practice. Equity Economics found that free, universal ECEC would cost around \$20 billion per year (about double the current funding), but the increase in women's participation could increase GDP by up to \$47.2 billion or 1.2 per cent by 2050.<sup>79</sup>

If the Australian Government is unable to support free and universal ECEC, the Inquiry recommends reducing the cost of ECEC using a funding model like that proposed by the Grattan institute in their report 'Cheaper Childcare'.<sup>80</sup> Key elements of this model include increasing the childcare subsidy for low-income families (from 85 per cent to 95 per cent) and simplifying the taper to ensure that parents, particularly women, are incentivised to seek out more paid employment. The nature of the CCS encourages part-time employment.<sup>81</sup> In addition to increasing subsidies, the Australian Government should also move to individual means tests, which would reduce the workforce disincentive rate and encourage women to take up more paid work.<sup>82</sup>

The Inquiry recommends removing or relaxing the activity test and other eligibility criteria for the CCS to guarantee all children access to a minimum number of hours of ECEC irrespective of their parents work or study patterns or visa status.

The Inquiry also recommends that the Australian Government take on a greater stewardship role of the ECEC sector. This includes funding a minimum number of ECEC places at an individual service in areas of low demand to ensure services are viable and expanding the In-Home Care program to ensure that ECEC meets the needs of all workers.

Stewardship also includes investing in the ECEC workforce, including improving pay and conditions through the FW Act and relevant awards, to ensure a high-quality and sustainable ECEC sector into the future. The Australian Government should meet the costs of higher pay in the sector, so the increase does not get passed onto parent fees.

82 A Jackson and L Risse, Evidence-based steps towards economic equity for Victorian women: An analytical report to support the Victorian Inquiry, unpublished.

<sup>78</sup> Stakeholders include: The Australian Services Union, Professor Marian Baird, Business and Professional Women, Business Council of Australia, Professor Andrea Carson, The Council of Single Mothers and their Children, Chief Executive Women, Ethnic' Communities Council Victoria, The Front Project, Future of Work Lab, Gender Equity Victoria, Good Shepherd, Health and Community Services Union, HESTA Superannuation, Minderoo Foundation Thrive by Five, Professor Elizabeth Hill, Dr Angela Jackson, KPMG, Merri Health, Life Patterns (University of Melbourne), Associate Professor Irma Mooi-Reci, Multicultural Centre for Women's Health, The National Association of Women in Operations, Dr Leonora Risse, the Salvation Army, the Sex Discrimination Commissioner, United Workers Union, Victorian Council of Social Services, Victorian Multicultural Commission, the Victorian Trades Hall Council, and WIRE.

<sup>79</sup> Equity Economics, *Making Australia the Best Place in the World to Be a Parent*, Report for The Parenthood, 2020, accessed 11 November 2021.

<sup>80</sup> D Wood, O Emslie and K Griffiths, <u>Cheaper childcare: A practical plan to boost female workforce participation</u>, Grattan Institute, 2020, accessed 11 November 2021.

<sup>81</sup> Equity Economics, *Making Australia the Best Place in the World to Be a Parent*, Report for The Parenthood, 2020, accessed 11 November 2021.

#### • Recommendation 5:

The Inquiry recommends that the Victorian Government:

Establish a coalition of states that will collectively advocate to the Australian Government for greater investment in and stewardship of early childhood education and care.

#### The Victorian Government can improve access to free or low-fee ECEC for the families that need it most by expanding the Kindergarten Fee Subsidy

The Victorian Kindergarten Fee Subsidy (KFS) provides free or low-fee kindergarten to eligible children including Aboriginal children; children that are part of a multiple birth (triplets or more); and children from families that have a relevant concession including a Health Care Card or Asylum Seeker visa.<sup>83</sup>

From 2022, the KFS will apply state-wide to threeand four-year-old kindergarten. However, to receive KFS currently, the child must attend a sessional or standalone kindergarten, which means that families whose child attends long-day care with an integrated kindergarten program cannot benefit.

Kindergarten that is integrated into long-day care can better support workforce participation because the services usually operate 10-to-12-hour days and have a greater span of hours across the week and across the year (standalone kindergartens usually operate during school terms only). The Inquiry recommends that the Victorian Government expand the KFS into long-day care to provide eligible families with a free or low-fee kindergarten service that better meets their needs and enables meaningful workforce participation by parents (Recommendation 6). An analysis of ECEC in Australia by PwC found a return on investment of \$2 in benefits for every \$1 spent. Benefits were found to accrue for children and their families in the form of improved educational and health outcomes and increased earnings, and to society more broadly through increased taxation receipts, reduced welfare and health costs and overall improved productivity.<sup>84</sup>

To take this policy further, increasing the rate of the KFS would strengthen the incentive for services to attract, enrol and retain KFS eligible children.

#### **()** Recommendation 6:

The Inquiry recommends that the Victorian Government:

Expand the Kindergarten Fee Subsidy into all early childhood education and care providers offering a funded kindergarten program.

#### The Victorian Government must invest in ECEC educators, teachers and relevant enforcement activities to ensure the highest quality standards as the ECEC sector expands

The Victorian Government has begun to invest in the skills and leadership of ECEC educators and teachers through the Victorian Early Childhood Workforce Strategy.<sup>85</sup> The Inquiry recommends that the Victorian Government continue to expand this investment to support the roll-out of threeyear-old kindergarten and ensure quality services across the ECEC sector. As part of this, the Victorian Government should promote the higher kindergarten subsidies available for services that pay their teachers and educators according to the Early Childhood Enterprise Agreements.<sup>86</sup>

<sup>83</sup> In 2019, 24 per cent of all kindergarten enrolments attracted the KFS. Source: Victorian Department of Education and Training

<sup>84</sup> PwC, <u>A Smart Investment for a Smarter Australia: Economic analysis of universal early childhood education in the year before school</u> in <u>Australia</u>, The Front Project, 2019, accessed 11 November 2021.

<sup>85</sup> Victorian Department of Education and Training, <u>Working Together to Build Victoria's Early Childhood Education Workforce</u>, 2021, accessed 6 January 2022 and Victorian Department of Education and Training, <u>Next Steps in Victoria's Kindergarten Workforce</u> <u>Strategy</u>, 2021, accessed 6 January 2022.

<sup>86</sup> Victorian Early Childhood Teachers' and Educators' Agreement 2020 (VECTEA) and the Early Education Employees' Agreement 2020 (EEEA).

Attracting and retaining a skilled workforce to the ECEC sector is the best way to ensure the quality of services. Susan Pascoe AM and Professor Deborah Brennan noted in a report about strengthening ECEC that 'investing in quality and a stable, well-supported and professional workforce is vital.'<sup>87</sup>

Ensuring adequate workforce supply, particularly of qualified early childhood teachers, is critical to support the Victorian Government rollout of three-year-old kindergarten and the delivery of quality ECEC services across Victoria.

Recommendation 23 and Recommendation 25, discussed further in Chapter 4.3: *Recognising the real value of care and community work*, also outline how the Victorian Government can invest in and advocate for better pay and conditions for the ECEC workforce to ensure their essential care work is valued fairly.

Resources to ensure the enforcement of quality standards will also need to grow in line with the roll-out of three-year-old kindergarten. The Victorian Government should ensure that the quality assessment and regulation functions in the Department of Education and Training are adequately resourced.

#### O Recommendation 7:

The Inquiry recommends that the Victorian Government:

Ensure Victorian early childhood education and care services are of the highest quality as the sector expands by investing in educators, teachers, and the enforcement of quality standards.

#### Expanding existing investment in OSHC could support all families of children with disability to access the support they need

Some stakeholders highlighted that expanding public investment to support children's educational development, especially among students with learning challenges and disability, would also increase women's workforce participation.<sup>88</sup>

The Inquiry recommends the Victorian Government expand the current investment in high-intensity OSHC for children and young people with complex disability to ensure all families have access to a service. The Inquiry notes that OSHC is an Australian Government program and responsibility and the Victorian Government is working to fill a gap for this cohort.

#### O Recommendation 8:

The Inquiry recommends that the Victorian Government:

Commit to ensuring all children, including children with disability, can access appropriate and high-quality outside school hours care.

<sup>87</sup> S Pascoe and D Brennan, *Lifting our Game: Report of the review to achieve educational excellence in Australian school through early childhood intervention*, 2017, accessed 11 November 2021.

<sup>88</sup> Stakeholders include: Dr Angela Jackson, Merri Health, Dr Leonora Risse, and the Salvation Army.







# Creating safe, equal and accountable communities and workplaces

This chapter will examine the barriers to safe, equal and accountable workplaces and communities and set out recommendations to overcome them, including increasing women's leadership and influence, and better reporting of gender inequities.

## 3.1 Making workplaces safe, equal and free from discrimination

#### **Or Recommendation 9:**

Accept and fund all recommendations made by the Ministerial Taskforce on Workplace Sexual Harassment and treat workplace gendered violence as an occupational health and safety issue.

#### **O** Recommendation 10:

Ensure women have equitable access to work-related advice and support by providing increased and recurrent funding to community legal centres, Aboriginal Legal Services, and Victoria Legal Aid to provide legal advice and assistance to vulnerable workers who experience discrimination, gendered bullying or harassment in the workplace, considering the particular needs of workers facing intersectional discrimination.

#### **O** Recommendation 11:

Take a nation-leading approach to addressing the challenges faced by women of colour working in the Victorian public sector. This includes allocating four years of funding to the VPS Women of Colour Network to develop strategies to address racism and discrimination in the VPS and public sector more broadly.

#### **③** Finding 6:

The Victorian Government can work to ensure that primary prevention policy frameworks are key to the elimination of all forms of gendered violence in Victorian workplaces. Best practice approaches to addressing gendered violence require removing the cause of violence and preventing a situation where violence could occur in the future.

#### **Q** Finding 7:

Early intervention in the workplace is the responsibility of leadership teams and their efforts are critical to the prevention of sexual harassment in the workplace. Workplace sexual harassment is prevalent and pervasive; it occurs in every industry, in every location and at every level of Australian workplaces'

Respect@Work Report 2020<sup>1</sup>

### 1. Introduction

Gendered violence remains pervasive in Victoria workplaces.<sup>2</sup> It appears in a variety of interconnected forms, including gendered discrimination, gendered bullying, and sexual harassment.<sup>3</sup> Over 60 per cent of women have experienced some form of gendered violence in the workplace.<sup>4</sup>

In addition to being intrinsically harmful to women, gendered violence affects women's economic equity. Unsafe workplaces that discriminate against women are a key barrier to women's ongoing participation, retention, and promotion in the workforce.<sup>5</sup> Making workplaces safe and free from gendered violence is therefore central to improving women's participation in the workforce and in turn promoting greater economic equity.

In 2019, Deloitte estimated that the cost of just one form of gendered violence – workplace sexual harassment – was \$3.8 billion nationally for one year.<sup>6</sup>

Australian Human Rights Commission (AHRC), <u>Respect@Work: National Inquiry into Sexual Harassment in Australian Workplace's</u>, Australian Government, 2020, page 16, accessed 18 September 2021.

In 2015, the Victorian Equal Opportunity and Human Rights Commissioner (VEOHRC) undertook an independent review into sex discrimination and sexual harassment in Victoria Police. The review found that women reported being treated less favourably in recruitment, were overlooked for promotion opportunities because of their gender, were not supported if they wanted to discuss flexible working arrangements or parental leave, and reported daily experiences of hostile and negative comments based on their physical appearance. VEOHRC, *Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police, Phase One Report*, Victorian Government, 2015, accessed 1 October 2021.

<sup>3</sup> These forms of gendered violence are interconnected, between 2018 and 2019, 76 per cent of gender discrimination claims made to the VEOHRC were related incidents of violence and harassment in the workplace. VEOHRC, <u>2018-19 Annual Report</u>, 2019, accessed 1 October 2021.

<sup>4</sup> WorkSafe, <u>A Guide for employers: Work-related gendered violence including sexual harassment</u>, Victorian Government, 2020, accessed 1 October 2021.

<sup>5</sup> AHRC, Everyone's Business: Fourth National Survey on Sexual Harassment in Australian Workplaces, 2018, accessed 1 October 2021.

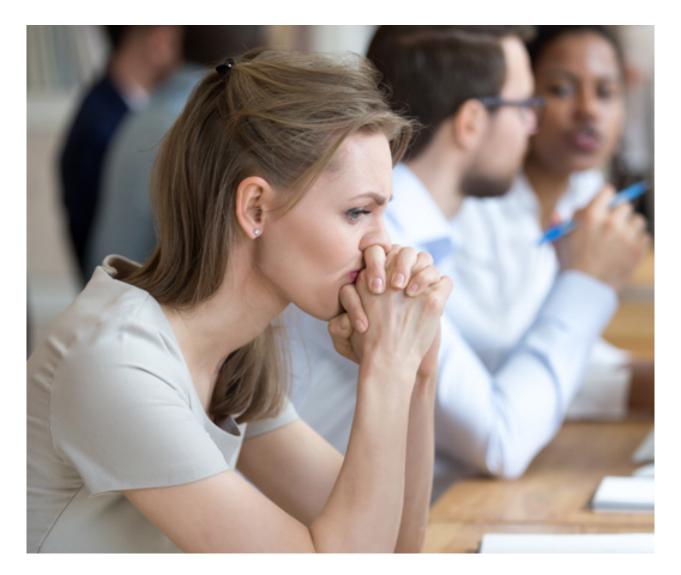
<sup>6</sup> Deloitte Access Economics, *The economic costs of sexual harassment in the workplace*, 2019, accessed 1 October 2021.

、 お<u>、</u> ろ

International studies have found that 42 per cent of working women faced gender discrimination in their workplaces.<sup>7</sup> Gender discrimination in the workplace can take a variety of forms, including being treated less favourably in recruitment, being passed over for promotion and leadership opportunities and receiving less pay for the same role occupied by a male counterpart.<sup>8</sup>

Sexual harassment, another form of gendered violence, is also pervasive across Australian workplaces. Around 85 per cent of Australian women have been sexually harassed at some point in their lives with 39 per cent of women having experienced sexual harassment in the workplace in the last five years.<sup>9</sup> Research by Our Watch has identified that sexual harassment in the workplace is driven by expressions of gender inequality such as:

- condoning of sexual harassment and violence against women
- men's control of decision-making and limits to women's independence
- rigid gender roles and stereotyped constructions of masculinity and femininity
- men disrespecting women to bond with other men.<sup>10</sup>



<sup>7</sup> K Parker and C Funk, <u>Gender Discrimination comes in many forms for today's working women</u>, Pew Research Centre, 2017, accessed 1 October 2021.

- 8 AHRC, Everyone's Business: Fourth National Survey on Sexual Harassment in Australian Workplaces, 2018, accessed 1 October 2021.
- 9 Ibid.
- 10 Our Watch, <u>Understanding sexual harassment in workplaces</u>, 2021, accessed 21 September 2021.

## Sexual harassment is persistent in Australian workplaces

Workplace sexual harassment impacts a person's ability to participate in the workplace over the long-term, compromising their economic security and safety. Women's safety at work is inextricably linked to women's economic security. In 2018, the Australian Human Rights Commission (AHRC) found that one in three workers in Australia have experienced workplace sexual harassment within the last five years.<sup>11</sup> Women are significantly more likely than men to experience workplace sexual harassment in their lifetime with rates of two in five women in comparison with one in four men having experienced sexual harassment in the workplace in the last five years.<sup>12</sup>

The Inquiry heard that sexual harassment is more likely to occur in majority-men workplaces than workplaces with a greater gender balance.<sup>13</sup>

Decades of data supports the Inquiry's finding that increasing the gender balance in majority-men workplaces and increasing women's representation in leadership roles reduces rates of sexual harassment in the workplace. For further information, refer to Chapter 4.2: *Re-balancing the representation of women in non-traditional sectors*.

#### People from diverse backgrounds and social groups experience greater rates of gendered violence in the workplace

Research indicates that not all women experience workplace gendered violence at the same rates.<sup>14</sup> The intersecting forms of discrimination and disadvantage that may be experienced based on gender, age, disability, race and sexual orientation can increase a person's likelihood of experiencing gendered violence in the workplace.<sup>15</sup>

Looking at sexual harassment specifically, 45 per cent of young people aged 18 to 29 have experienced sexual harassment in the workplace in the last five years. Disturbingly, 52 per cent of women living with disability and 52 per cent of people with diverse sexual orientations have experienced workplace sexual harassment in the last five years.<sup>16</sup> Aboriginal women have reported experiencing gendered violence at a rate twice as high as non-Indigenous women.<sup>17</sup> Alarmingly, 55 per cent of Aboriginal women who participated in the AHRC's 2018 *National Survey into Workplace Sexual Harassment* reported that they have experienced sexual harassment in the workplace in the last five years.<sup>18</sup>

14 AHRC, <u>Everyone's Business: Fourth National Survey on Sexual Harassment in Australian Workplaces</u>, Australian Government, 2018, accessed 1 October 2021.

<sup>11</sup> AHRC, Everyone's Business: Fourth National Survey on Sexual Harassment in Australian Workplaces, 2018, accessed 1 October 2021.

<sup>12</sup> Ibid.

<sup>13</sup> The 2015 VEOHRC review into Victoria Police found systemic under-reporting of sex discrimination and harassment in the majority men Police and Emergency Services sector. The review noted that increased recruitment and retention of women in Victoria Police is crucial to cultural change and will reduce the prevalence of gendered violence: VEOHRC, <u>Independent Review into sex</u> <u>discrimination and sexual harassment</u>, including predatory behaviour in Victoria Police, Phase One Report, Victorian Government, 2015, accessed 1 October 2021.

<sup>15</sup> AHRC, <u>Respect@Work: National Inquiry into Sexual Harassment in Australian Workplace's</u>, Australian Government, 2020, page 16, accessed 18 September 2021.

<sup>16</sup> AHRC, Everyone's Business: Fourth National Survey on Sexual Harassment in Australian Workplaces, 2018, accessed 1 October 2021.

<sup>17</sup> Our Watch, <u>VicHealth, and Australia's National Research Organisation for Women's Safety (ANROWS) (2015) Change the story:</u> <u>A shared framework for the primary prevention of violence against women and their children in Australia</u>, 2nd edn, 2021, accessed 15 October 2021.

、A A\_A

In a recent workplace survey, Women of Colour Australia found that 60 per cent of participants had experienced discrimination in the workplace because of their cultural identity as well as gender.<sup>19</sup> In a survey taken by the VPS Women of Colour Network in 2021, one in three women surveyed felt culturally unsafe and 41 per cent said they were overlooked for career progression and opportunities.<sup>20</sup>

## Everyday sexism is pervasive and must be urgently stamped out

Everyday sexism is prolific in both public and professional spaces across Australia. Varying in form, these attitudes and behaviours are shaped by harmful gendered stereotypes.

The Champions of Change Coalition have found that 'everyday sexism is frequently invisible, and often accepted'.<sup>21</sup> Left unchecked, this behaviour will continue to cause significant social and economic damage. The Victorian Equal Opportunity and Human Rights Commission's (VEOHRC's) 2015 investigation into Victoria Police demonstrates how the slow accumulation of harm caused by everyday sexism can lead to gender discrimination, sexual harassment and bullying within a workplace.<sup>22</sup>

# Sexual harassment in the workplace comes with significant economic cost

Sexual harassment in the workplace has considerable economic, social and physical costs for both the victim-survivor and the employer. In 2019, Deloitte estimated that the cost of workplace sexual harassment for just one year was \$3.8 billion nationally.<sup>23</sup> Research indicates that workplace sexual harassment leads to lower job satisfaction, emotional withdrawal, depleted quality of work, higher rates of staff turnover and a negative impact on workplace culture.<sup>24</sup>

Reporting sexual harassment in the workplace also comes at great cost to employers and the State as victims usually seek both legal and health support.<sup>25</sup> Deloitte estimated that workplace sexual harassment cost victims \$523.6 million in 2018 with \$103.5 million of this spent on accessing support from justice and health systems.<sup>26</sup>

An incident of sexual harassment can lead to the victim-survivor taking time off work, reducing opportunities to learn on the job and acquire the skills to progress. Further, victim-survivors can experience career interruptions as they leave the workforce and take extended breaks out of the workforce, including time off to retrain and move into another sector. This can reduce long-term earnings and the compounding benefits of superannuation. In their 2020 Respect@Work report, the AHRC found that some women accepted pay cuts or lateral moves to avoid a harasser, further enhancing the gender pay gap.<sup>27</sup> For more on these issues, refer to Chapter 3.3: Promoting greater transparency and reporting of gender inequities and Chapter 5.3: Improving women's economic security at retirement

27 Ibid.

<sup>19</sup> Women of Colour Australia and C Archer, Women of Colour Australia workplace survey report 2021, 2021, accessed 15 October 2021.

<sup>20</sup> Women of Colour Network, Diversity and Inclusion in the Victorian Public Sector (VPS), Summary Report, 2021, unpublished.

<sup>21</sup> Champions of Change Coalition, <u>We Set the Tone: Eliminating Everyday Sexism</u>, 2018, accessed 18 October 2021.

<sup>22</sup> VEOHRC, Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police, Phase One Report, Victorian Government, 2015, accessed 1 October 2021.

<sup>23</sup> Deloitte Access Economics, *The economic costs of sexual harassment in the workplace*, 2019, accessed 1 October 2021.

<sup>24</sup> A 2018 survey by the AHRC found that 25 per cent of those who were sexually harassed in the workplace over the last five years reported negative impacts on their employment, day to day work experience and their careers because of the latest incident. AHRC, <u>Everyone's Business: Fourth National Survey on Sexual Harassment in Australian Workplaces</u>, 2018, accessed 1 October 2021.

<sup>25</sup> Deloitte found that the financial and economic burden of accessing ongoing support and re-entering the workforce is mostly carried by the victim. Deloitte Access Economics, *The economic costs of sexual harassment in the workplace*, 2019, accessed 1 October 2021.

<sup>26</sup> AHRC, <u>Respect@Work: National Inquiry into Sexual Harassment in Australian Workplace's</u>, Australian Government, 2020, page 16, accessed 18 September 2021.

#### Gendered violence is a workplace occupational health and safety issue and WorkSafe's functions are vital to its elimination

To make Victorian workplaces safer, gendered violence must be treated as an occupational health and safety issue. This approach acknowledges women's right to safety in the workplace and places the responsibility for creating and maintaining safe work environments on employers.

Two legislative frameworks operate in Victoria to prevent and eliminate gendered violence and ensure safe and respectful workplaces; the *Occupational Health and Safety Act 2004* (the OHS Act)<sup>28</sup> and the *Equal Opportunity Act 2010* (the EO Act).<sup>29</sup>

In March 2021, the Victorian Government announced the development of a reform agenda to help prevent and respond to sexual harassment in Victorian workplaces, in response to the National Inquiry into Sexual Harassment in Australian Workplaces. To develop the reform agenda, the Victorian Government established the Ministerial Taskforce on Workplace Sexual Harassment to consider ways to strengthen the occupational health and safety framework to address sexual harassment, clarify employer obligations to boost accountability, encourage and support workers to speak up and consider other measures to help end sexual harassment in Victorian workplaces.

#### Recommendation 9:

The Inquiry recommends that the Victorian Government:

Accept and fund all recommendations made by the Ministerial Taskforce on Workplace Sexual Harassment and treat workplace gendered violence as an occupational health and safety issue.

The Panel supports the work of the Ministerial Taskforce on Workplace Sexual Harassment and shares the Taskforce's view that to effectively improve the safety of Victorian workplaces, workplace gendered violence should be treated as an occupational health and safety issue.

VEORHC and WorkSafe play critical roles in responding to victim-survivor's claims and addressing gendered violence in the workplace. The Inquiry commends the efforts of VEOHRC and WorkSafe to take a unified approach to information sharing and referrals.

#### Primary prevention is the best way to eliminate gendered violence in workplaces

Primary prevention means changing attitudes, behaviours and accepted systems that excuse, justify or encourage gendered violence including discrimination, sexual harassment and gendered bullying.

<sup>28</sup> The OHS Act places a general duty on employers to protect the health and safety of employees and other persons in the workplace from risks to their health and safety. Under s5 of the OHS Act, health is defined as including psychological health, meaning duty holders must eliminate the risk of sexual harassment, so far as is reasonably practicable, by removing the hazards associated with that risk.

<sup>29</sup> The objective of the EO Act is to eliminate discrimination based on a range of protected attributes, including gender, as well as the elimination of sexual harassment and victimisation across Victoria. The EO Act includes a positive duty which requires an organisation to take proactive measures to eliminate discrimination and prevent it occurring in the workplace.



#### $\mathbb{Q}$ deep dive

## Best practice approaches to preventing and eliminating gendered violence

The following key components are required to ensure best practice prevention strategies in the workplace:

- A clear commitment and obligation to prevent gendered violence, including a definition of the issue, recognition of the legislative duty to prevent and eliminate sexual harassment, and policies that explicitly promote and address gender equality in the workplace<sup>30 31</sup>
- Transparent policies that embed gender equality into recruitment, promotion processes and every-day work environments<sup>32</sup>
- Establishing a positive workplace culture where all staff feel safe in the workplace, with procedures to avoid gender stereotyping and leaders who model respectful relationships between all genders<sup>33</sup>
- Workplace cultures that support reporting. This requires clear structures, practices, and processes to appropriately report, address and respond to incidents of gender-based violence in the workplace. This also requires clear information for staff about how to make a complaint and trained staff to respond and support the victim-survivor.<sup>34</sup>

To ensure the implementation of a state-wide preventative framework, adequate support for an enforcement body is crucial. Complemented by the expertise of VEOHRC and other relevant agencies, WorkSafe as an enforcement body is well placed to support preventative action against gendered violence.

#### **③** Finding 6:

The Victorian Government can work to ensure that primary prevention policy frameworks are key to the elimination of all forms of gendered violence in Victorian workplaces. Best practice approaches to addressing gendered violence require removing the cause of violence and preventing a situation where violence could occur in the future.

#### Leaders must adopt early intervention approaches across their workplaces

Under the OHS Act, organisational leaders must act early and ensure adequate resourcing and accountability for implementing prevention and early intervention frameworks. This aligns with the Champions of Change Coalition approach to disrupting management systems and processes.<sup>35</sup> Both frameworks recognise that under the OHS Act, it is the duty of executive leadership and management to demonstrate leadership and accountability by proactively ensuring workplaces are safe.

This includes understanding how gendered violence manifests, setting expectations and role modelling behaviour as well as addressing power dynamics within the workplace.<sup>36</sup>

32 Our Watch, <u>Workplace Equality and Respect Standards</u>, 2018, accessed 20 October 2021.

<sup>30</sup> Our Watch, *Workplace Equality and Respect Standards*, 2018, accessed 20 October 2021.

<sup>31</sup> P McDonald, S Charlesworth and T Graham, <u>Developing a framework of effective prevention and response strategies in workplace</u> sexual harassment, Asia Pacific Journal of Human Resources, 2015, 53(1).

<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

<sup>35</sup> Champions of Change Coalition, *Disrupting the System: Preventing and responding to sexual harassment in the workplace*, 2021, accessed 30 October 2021.

<sup>36</sup> In addition, the Champions of Change Coalition found that advancing more and diverse women into leadership positions will shift cultures that enable sexual harassment to occur.

#### **(a)** Finding 7:

Early intervention in the workplace is the responsibility of leadership teams and their efforts are critical to the prevention of sexual harassment in the workplace.

#### Gendered violence in workplaces must be recognised as an endemic issue

Currently, the Victorian legislative framework relies to an extent on the victim making a complaint. However, the AHRC has found that only 17 per cent of those who experience workplace sexual harassment make a formal complaint.<sup>37</sup> Further, the widespread use of non-disclosure agreements (NDAs) prevents workplace gendered violence from being exposed as a deep-seated systemic issue that requires large-scale reform.<sup>38</sup> The Inquiry welcomes the Taskforce's focus on limiting the use of NDAs in the resolution of workplace incidents.

## Access to legal advice and support is critical for victim-survivors

Noting the roles of VEOHRC and WorkSafe as regulators, many stakeholders underlined the need for more support for victim-survivors in the aftermath of incidents of gendered violence, including sexual harassment.<sup>39</sup> The Inquiry recommends that the Victorian Government facilitate increased access to legal advice and support for groups who are experiencing workplace gendered violence at higher rates than the rest of the population (Recommendation 10). This aligns with recommendation 53 of the AHRC's Respect@ Work report. As part of this, the Victorian Government should increase funding to community legal centres, such as Aboriginal Legal Services, Women's Legal Service Victoria and Victoria Legal Aid, to provide legal advice and assistance to vulnerable workers who experience discrimination, gendered bullying or harassment in the workplace.

#### O Recommendation 10:

The Inquiry recommends that the Victorian Government:

Ensure women have equitable access to work-related advice and support by providing increased and recurrent funding to community legal centres, Aboriginal Legal Services, and Victoria Legal Aid to provide legal advice and assistance to vulnerable workers who experience discrimination, gendered bullying or harassment in the workplace, considering the particular needs of workers facing intersectional discrimination.

<sup>37</sup> AHRC, <u>Respect@Work: National Inquiry into Sexual Harassment in Australian Workplace's</u>, Australian Government, 2020, page 16, accessed 18 September 2021.

<sup>38</sup> If an outcome of an investigation results in a financial payment as compensation, the victim-survivor is often asked to sign an NDA with a confidentiality clause which can mean, in some cases, they are unable to discuss any elements of the settlement. VEOHRC, <u>Guideline: Preventing and responding to workplace sexual harassment</u>, 2020, accessed 18 September 2021.

<sup>39</sup> Stakeholders include: Gender Equality Victoria, Health and Community Services Union, the Sex Discrimination Commissioner and Victorian Trades Hall Council.

#### Targeted measures to address challenges faced by women of colour working in the Victorian public sector are crucial

Several submissions to the Inquiry said tailored recommendations would be necessary to address the needs of women from diverse backgrounds and social groups.<sup>40</sup>

Workplace safety requires constant monitoring by employers and enforcement bodies, and employers should take steps to ensure their workplace cultures encourage reporting. However, while barriers to reporting safety issues such as workplace sexual harassment still exist, efforts must be made to understand employee experiences of workplace safety through other means.

The Inquiry recommends that the Victorian Government take a nation-leading approach to addressing the challenges faced by women of colour working in the Victorian public sector by allocating four years of funding to the VPS Women of Colour Network to identify and recommend strategies to address racism and discrimination within the VPS and broader public sector (Recommendation 11). This recommendation aligns with a key recommendation from the VPS Women of Colour Network Diversity and Inclusion report calling for financial investment to support critical work being undertaken by the Network.<sup>41</sup>

#### **O** Recommendation 11:

The Inquiry recommends that the Victorian Government:

Take a nation-leading approach to addressing the challenges faced by women of colour working in the Victorian public sector. This includes allocating four years of funding to the VPS Women of Colour Network to develop strategies to address racism and discrimination in the VPS and public sector more broadly.



<sup>40</sup> Stakeholders include: Department of Families, Fairness and Housing, Ethnic Communities' Council of Victoria, Multicultural Centre for Women's Health, and Victorian Trades Hall Council.

<sup>41</sup> This report also calls for the collection of data to understand the specific needs of women of colour. Recommendations relating to the collection of intersectional data is located in Chapter 3.3: *Promoting greater transparency and reporting of gender inequalities.* Women of Colour Network, *Diversity and Inclusion in the Victorian Public Sector (VPS)*, Summary Report, 2021, unpublished.

3.2

# Increasing women's leadership, promotion and influence

#### **()** Recommendation 12:

Address systemic barriers to women's leadership and opportunities for promotion across the Victorian public sector by de-biasing recruitment and promotion processes.

#### **Q** Finding 10:

The Victorian Government can look for more opportunities to address the systemic barriers facing women seeking election in local government, particularly women from diverse backgrounds and social groups.

#### **()** Recommendation 13:

Increase the visibility and recognition of women as leaders and role models in Victoria.

#### **③** Finding 8:

The Victorian Government can explore ways to remove unconscious bias against women in the private, not-for-profit and community services sectors through leveraging its role as a procurer and legislator.

#### **③** Finding 9:

The Victorian Government can showcase the positive impacts of diverse women's leadership with a diversity-focused Women on Boards Commitment.

#### **Q** Finding 11:

To ensure women's leadership programs lead to meaningful change in women's representation, the Victorian Government can pivot the funding of leadership programs from individual capability building, to programs that:

- a. address structural and cultural barriers to women's leadership
- b. apply an intersectional lens
- c. embed clear evaluative frameworks.

'I believe that we must grow the critical mass of women leaders in politics, business and the media to truly disrupt and change the way decisionmaking is done in Australia. Equal representation will shape culture, decision-making, collaboration, and ultimately reflect community issues in a more fulsome way.'

Carol Schwartz AO, Inquiry Chair in her capacity as Founding Chair of the Women's Leadership Institute Australia.<sup>42</sup>

## 1. Introduction

The continued under-representation of women in leadership across all industries and in the broader community was a significant concern for stakeholders throughout the Inquiry process.<sup>43</sup>

As explored in this chapter, evidence shows that where women are present in leadership and decision-making, workplaces are safer, more profitable, and more productive.<sup>44 45</sup> Key barriers affecting women's advancement include the challenges of balancing work and care responsibilities, a lack of flexibility in senior positions, unsafe and unwelcoming workplace cultures, and entrenched gender norms based on gender stereotypes. These barriers are also compounded for some women by discrimination based on characteristics other than gender that make it more difficult for women from diverse backgrounds and social groups to be visible as leaders. Over a woman's lifetime, these barriers can significantly impact lifetime earnings.

Addressing the root causes of women's under-representation in leadership requires a critical view of how women are valued and portrayed in our society and counteracting unfounded and often unconscious biases towards women in positions of influence.

<sup>42</sup> J Price and B Williams, 2021 women for media report, Women's Leadership Institute Australia, 2021, accessed 23 November 2021.

<sup>43</sup> Stakeholders include: Business and Professional Women, Ethnic Communities' Council of Victoria, Financy Inc., Global Institute for Women's Leadership, Gender Equity Victoria, Merri Health, Multicultural Centre for Women's Health, National Association of Women in Operations, Office for Women, the Sex Discrimination Commissioner, Victorian Council of Social Services, Victorian Multicultural Commission, Victorian Pride Lobby, and WIRE.

<sup>44</sup> SY Au, A Tremblay and L You, *Does Board Gender Diversity Reduce Workplace Sexual Harassment2*, SSRN website, 2021, accessed 12 November 2021.

<sup>45</sup> Workplace Gender Equality Agency (WGEA), <u>Women in Leadership: The business case</u>, Australian Government, 2021, accessed 29 November 2021.

### 2. Key issues

## Women are under-represented across all levels of leadership

Across Australia, women are under-represented in leadership in almost all industries, even in industries with majority-women workforces. As shown in Chart 9, while women make up half of the overall workforce, in the private sector women comprise only 43 per cent of other managers, 33 per cent of key management personal, 28 per cent of directors, and 18 per cent of CEOs.<sup>46</sup> In the Victorian public sector, women comprise 68 per cent of the total workforce but only make up 49 per cent of executives.<sup>47</sup> When women are in leadership positions, they are concentrated in lower levels of management with senior leadership and CEO positions predominantly male dominated, even in industries with majority-women workforces.<sup>48</sup>



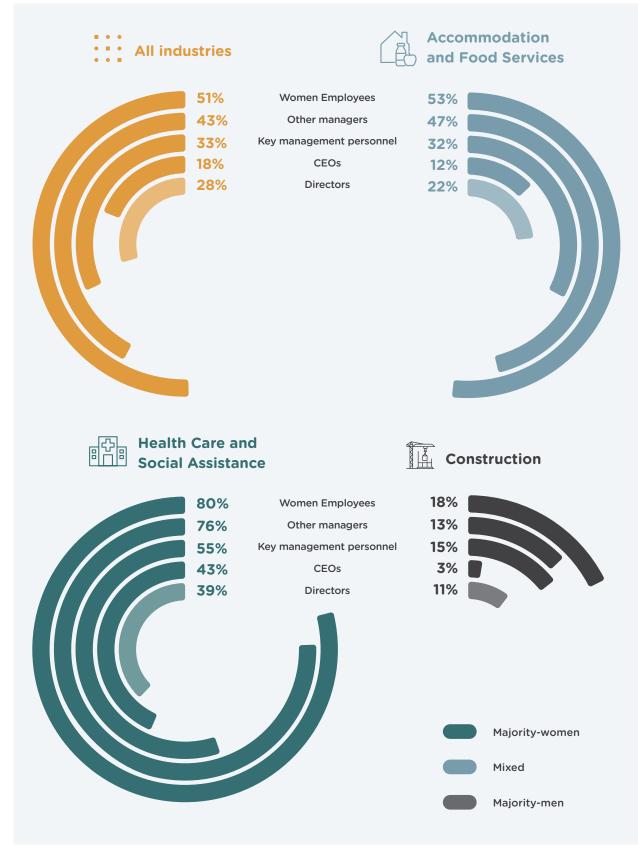
<sup>46</sup> WGEA, *Women in Leadership*, Australian Government, 2020, accessed 12 November 2021.

48 WGEA, Workforce Composition, Australian Government, 2020, accessed 12 November 2021.

<sup>47</sup> Victorian Public Sector Commission, *Executive numbers, turnover, gender and remuneration*, Victorian Government, 2021, accessed 11 January 2022.



#### Chart 9: Representation of women in leadership across industries



**Source:** WGEA, <u>Workforce Composition</u>, Australian Government, 2019-20 **Note:** Manager categorisations are consistent with those used by the Workplace Gender Equality Agency (WGEA).<sup>49</sup> The representation gap widens further for women from diverse communities and social groups.<sup>50</sup> In their submission to the Inquiry, the Victorian Multicultural Commission noted that in 2020, 95 per cent of senior leaders in Australia have an Anglo-Celtic or European background compared to only 5 per cent from non-European or Indigenous backgrounds, despite these groups making up an estimated 24 per cent of the Australian population.

## Women are not recognised as leaders or role models

The portrayal of women in media significantly affects social norms, attitudes and understanding of gender roles. Research undertaken by the Global Institute for Women's Leadership in 2020 looked at women's representation and voices in media coverage of the COVID-19 pandemic and found only one-third of quotations in articles concerning the COVID-19 pandemic were attributed to women. The topics women were quoted on were highly gendered with 37 per cent of quotations in health articles, compared with 27 per cent in business articles and 24 per cent in science and politics articles. Women made up over half of those quoted in articles related to childcare and domestic violence, just over one-third in those related to education, and less than one-sixth of those guoted on topics related to finance and the economy.<sup>51</sup> These results are consistent with the Women's Leadership Institute

Australia 2021 Women for Media Report 'Take the Next Step', which found women were quoted across Australian media only 31 per cent of the time.<sup>52</sup> Similarly, advertising has been found to offer a limited and stereotypical portrayal of the roles, aspirations and abilities of women, which can limit visible role models and further entrench gender stereotypes – recognised as a key underlying cause of violence against women.<sup>53</sup>

## Gender biases are nearly always present in employment decisions

Gendered stereotypes and biases often formed in children as early as primary school are taken into workplaces and communities by adults and significantly impact women at every stage of the employment cycle.<sup>54 55</sup> For example, stereotypes and unconscious bias affect which candidates get recruited and selected for certain roles, salary negotiation outcomes as well as career development and mentoring opportunities. These factors compound across women's careers, producing and sustaining gender inequality from recruitment, to selection, to promotion.

In their submission to the Inquiry, Business and Professional Women noted that the social stereotypes individuals form can perpetuate the notion that women are not capable of assuming senior leadership roles. Addressing unconscious bias is therefore foundational to achieving equality in leadership.

<sup>50</sup> Limitations in the availability of disaggregated data result in difficulties quantifying the magnitude of this gap. Recommendations to address the critical need for disaggregated data to understand the compounding and intersecting barriers to economic equity some women experiences are located in Chapter 3.3: *Promoting greater transparency and reporting of gender inequities.* 

<sup>51</sup> L Jones, *Women's representation and voice in media coverage of the coronavirus crisis*, Australian National University, 2020, accessed 11 November 2021.

<sup>52</sup> J Price and B Williams, 2021 women for media report, Women's Leadership Institute Australia, 2021, accessed 23 November 2021.

<sup>53</sup> M McKenzie, M Bugden, A Webster, M Barr, <u>Advertising (in)equality: the impacts of sexist advertising on women's health and wellbeing</u>, Women's Health Victoria, Issues Paper 14, 2018, accessed 11 November 2021.

<sup>54</sup> T W Fitzsimmons, M Yates, S Miriam and V J Callan, <u>Hands up for gender equality: A major study into confidence and career</u> <u>intentions of adolescent girls and boys</u>, AIBE Centre for Gender Equality in the Workplace, The University of Queensland, Brisbane, 2018, accessed 12 November 2021.

<sup>55</sup> WGEA, Gender-equitable Recruitment and Promotion, Australian Government, 2019, accessed 12 November 2021.



## 3. Findings and Recommendations

#### Women leaders improve business outcomes and make workplaces safer

Evidence shows that organisations with more women in senior leadership roles are more profitable and productive.<sup>56</sup> These improvements have been partly attributed to a greater talent pool and the collaborative leadership style often favoured by women leading to better decision-making.<sup>57</sup> Analysis by the Workplace Gender Equality Agency (WGEA) found increasing the representation of women across each of the key leadership roles in an organisation increases the market value of an average sized organisation between \$52 million and \$70 million per year.<sup>58</sup> Women in leadership have also been linked to improvements in women's safety in the workplace (refer to Chapter 3.1: *Establishing safe, equal and respectful workplaces*) – organisations with more women on boards, in senior leadership or as CEOs have less instances of workplace sexual harassment.<sup>59</sup>

Diversity in characteristics other than gender has similarly been found to improve economic outcomes – organisations with women leaders from diverse cultural backgrounds reported higher employee satisfaction, reduced turnover and enhanced performance and innovation.<sup>60</sup> Diverse women in leadership can also positively influence organisational inclusion, improve stakeholder relationships, and build organisational reputation and public interest.<sup>61</sup>

Key leadership role	Change in market value of ASX-listed companies <sup>62</sup>	Likelihood of companies outperforming their sector <sup>63</sup>
Women on Boards	<b>+4.9%</b> (worth the equivalent of AUD \$78.5 million for the average company)	+6.0% likelihood of outperforming their peers on three or more metrics
Women as Key Management Personal	+6.6% (worth the equivalent of AUD \$104.7 million for the average company)	<b>+5.8%</b> likelihood of outperforming the sector on three or more metrics
The appointment of a woman CEO	<b>+5.0%</b> (worth the equivalent of AUD \$79.6 million for the average company)	<b>+12.9%</b> likelihood of outperforming the sector on three or more metrics

#### Table 2: Improvements associated with increasing the representation of women across key leadership roles

Source: WGEA, Gender equality insights 2020: Delivering the Business outcomes, 2020

57 R Cassells and A Duncan, <u>Gender equity insights 2020: Delivering the Business Outcomes</u>, 2020, Bankwest Curtin Economics Centre (BCEC), Curtin University, accessed 12 November 2021.

58 WGEA, <u>Women in Leadership</u>, Australian Government, 2020, accessed 12 November 2021.

<sup>56</sup> WGEA, *Women in Leadership: The business case*, Australian Government, 2021, accessed 29 November 2021.

<sup>59</sup> S Y Au, A Tremblay and L You, *Does Board Gender Diversity Reduce Workplace Sexual Harassment*?, SSRN website, 2021, accessed 12 November 2021.

<sup>60</sup> C Hanlon, K Dadswell and E Flowers, <u>A Guide for Action: To encourage women from culturally diverse backgrounds as leaders in</u> sport, Victoria University, 2021, accessed 12 November 2021.

<sup>61</sup> Ibid.

<sup>62</sup> Improvements to the representation of women in leadership for women on boards and women as key management personal are measured as an increase of 10 percentage points or more of women in that role.

<sup>63</sup> Measured against six key profitability and performance metrics include return on equity, earnings before interest and tax (EBIT), sales per worker, return on assets, Tobin's Q and dividend yield.

#### Addressing structural barriers to women's leadership must include removing bias from all recruitment and promotional processes and practices

The Victorian Government has a duty to tackle unconscious bias and is well placed to ensure best practice approaches are implemented across the whole public sector workforce (approximately 10 per cent of Victoria's labour force).<sup>64</sup>

#### **()** Recommendation 12:

The Inquiry recommends that the Victorian Government:

Address systemic barriers to women's leadership and opportunities for promotion across the Victorian public sector by de-biasing recruitment and promotion processes.

Outside of its role as an employer, the Inquiry would like to see the Victorian Government leverage its role as a procurer and legislator to remove unconscious bias in the private and community service sectors.

#### **Q** Finding 8:

The Victorian Government can explore ways to remove unconscious bias against women in the private, not-for-profit and community services sectors through leveraging its role as a procurer and legislator.

Approaches for removing unconscious bias are well researched and typically include:<sup>65</sup>

- blind recruitment approaches that strip age, gender, educational and socioeconomic background, and other information out of applications to focus on talent
- avoiding gendered and exclusive language in recruitment and promotional material
- representation of both women and men on interview panels
- using structured interviews with clear scoring criteria
- basing promotions on objectively measured performance without value attributed to self-evaluations
- using unconscious bias training across all levels of leadership, including to address unconscious bias in management.

<sup>64</sup> Victorian Public Sector Commission, *Employee numbers*, Victorian Government, 2021, accessed 12 November 2021.

<sup>65</sup> I Bohnet, *What Works: Gender Equality by Design*, Harvard University Press, 2016, accessed 12 November 2021.

<sup>66</sup> F Gino and K Coffman, Unconscious Bias Training That Works, Harvard Business Review, 2021, accessed 12 November 2021.

#### ~<sup>内</sup>、 ん<u>、</u>ん

#### $\mathbb{Q}$ deep dive

#### What constitutes effective unconscious bias training?

Unconscious bias training aims to reduce bias in attitudes and behaviours at work, from hiring and promotion decisions to interactions with customers and colleagues. In practice, this training has often been unsuccessful with a 2019 meta-analysis of over 490 studies involving some 80,000 people finding training did not change biased behaviour.<sup>67</sup> Other studies have revealed that the training can backfire by sending the message that biases are involuntary and widespread, leading people to feel they're unavoidable which leads to more discrimination.

As the Harvard Business Review notes, most effective unconscious bias training:

"...does more than increase awareness of bias and its impact. It teaches attendees to manage their biases, change their behaviour, and track their progress. It gives them information that contradicts stereotypes and allows them to connect with people whose experiences are different from theirs. And it's not just a one-time education session; it entails a longer journey and structural changes to policies and operations—like the standardisation of hiring processes, the elimination of self-assessments from performance reviews, and the institution of incentives for improving diversity. Rather than providing unconscious bias training as a check-the-box exercise, companies make a real, long-term commitment to it because they think it's worthy and important.<sup>'68</sup>

#### Increased visibility, recognition and celebration of women is needed to counter harmful gender norms

Our media and advertising reflect an absence of women's voices and experiences. This lack of visibility and recognition of women in society can limit access to representative role-models and mentors, and reinforce harmful gender stereotypes. Women's accomplishments are also going unrecognised. Talented women have played a critical role in the development of Victoria through politics, activism, literature, science, medicine and sports, yet make up only 1.5 per cent of statues commemorating accomplished Victorians.<sup>69</sup>

#### Recommendation 13:

The Inquiry recommends that the Victorian Government:

Increase the visibility and recognition of women as leaders and role models in Victoria.

In the short-term, the Victorian Government can prioritise the celebration of women's accomplishments in Victoria by investing in participatory programs that recognise women's contributions. The Inquiry recommends this include expanding on the Women's Public Art Program to support women artists to create more artworks of women and their achievements in public places and engage community members in positive dialogue.

In the medium- to long-term, the Victorian Government should invest in reforms, both regulatory and cultural, that will increase equal representation in the media. These reforms could include advocating to prominent newspapers and media outlets for greater representation of women, and promoting the use of databases that highlight experienced women leaders across industries as a resource to amplify the visibility and voices of women leaders at events and in the media.

<sup>67</sup> P Forscher, C Lai, J Axt, C Ebersole, P Devine and B Nosek, A meta-analysis of procedures to change implicit measures, Journal of Personality and Social Psychology, 2019, 117(3), pp.522-559

<sup>68</sup> F Gino and K Coffman, Unconscious Bias Training That Works, Harvard Business Review, 2021, accessed 12 November 2021.

<sup>69</sup> Minister for Women, <u>Boosting public art of inspirational women by women</u> [media release], Victorian Government, 2021, accessed 12 November 2021.





#### CASE STUDY

## Looking to global good practice to address gender equality in the media and advertising

In 2020, Women's Health Victoria developed the shEqual initiative which aims to promote gender equality and address the drivers of violence against women in Australian advertising. In November 2020, shEqual released a strategic framework, 'Seeing is Believing', which outlines the key changes, including cultural and regulatory reforms, required to see change in the industry and drive more gender equal advertising.<sup>70</sup>

Globally, a number of media outlets, including ABC News, are tackling gender representation in their products as partners of the BBC's 50:50 Equality Project.<sup>71</sup> In 2018, men's voices dominated ABC news coverage, making up 70 per cent of interviews and expert contributors.<sup>72</sup> Despite reporting from ABC News in May 2021 to say they had achieved 51 per cent of interviews and contributors being women, the 2021 Women for Media Report found men were quoted in 90 per cent and women in 42 per cent of stories on the ABC News home page<sup>73 74</sup> – highlighting further work must be done to ensure that women's voices are accurately reflected in 'top-billing' stories. However, the ABC should be commended as being one of the only Australian media outlets to proactively commit to achieving greater representation of women in media. The Inquiry hopes the ABC's leadership in this space may influence other Australian media outlets to commit to achieving gender equal and diverse representation across their work as well.

In practice, prioritising the voices of women leaders and experts and increasing women's representation in the media will require a strategic and dedicated approach from across the industry. Several existing databases and resources that aim to amplify the voices of women across industries can be used to increase the visibility of women in the media, including:

- Victorian Women's Honour Roll, which celebrates and recognises women demonstrating remarkable leadership and excellence in their field of expertise, interest, or endeavour, or through their commitment to the community across Victoria
- Here She Is! a directory of women's voices that features hundreds of successful women with a range of backgrounds, disciplines, and professional expertise
- Bloomberg's New Voices a program that has established a definitive global list of women experts in finance and business, a system to track diverse sourcing, and the funding of media training for top women executives and other under-represented voices. In 2019, media training was provided to media executives in Sydney
- Women for Media a directory of over 200 women leaders in business, finance, government, academia and the not-for-profit sector that aims to provide journalists with the direct contacts of senior women leaders for interview or comment.<sup>75</sup>

<sup>70</sup> ShEqual, <u>Seeing is believing: A national framework for championing gender equality in advertising</u>, Women's Health Victoria, 2020, accessed 12 November 2021.

<sup>71</sup> BBC, <u>50:50 The Equality Project</u>, BBC website, accessed 12 November 2021.

<sup>72</sup> ABC, 50:50 The Equality Project, ABC website, accessed 23 November 2021.

<sup>73</sup> Ibid.

<sup>74</sup> J Price and B Williams, 2021 women for media report, Women's Leadership Institute Australia, 2021, accessed 23 November 2021

<sup>75</sup> Women for Media is an initiative by the Women's Leadership Institute Australia (WLIA), established by Panel Chair Carol Schwartz AO in 2004.

#### Targets can be an effective means of driving equal representation in leadership

Setting targets to increase the representation of women in leadership and on boards has been successful both internationally and domestically. A legislated 40 per cent target for women on large public boards in France resulted in 45 per cent of board positions being held by women by 2020. Other OECD countries have also implemented similar targets, but not all of these have been legislated.<sup>76</sup> A common feature of successful targets, both legislated and non-legislated, is that they are time-bound and have transparent monitoring and reporting in place.<sup>77</sup>

To complement target-setting, employers must ensure that leadership roles are meaningfully redesigned to allow more women to participate. Job-sharing and part-time senior leadership roles must become more commonplace (refer to Chapter 2.1: *Best practice approach to supporting parents and carers*).

The Victorian Government has two main targets in place to address women's representation in leadership; a target of 50 per cent women in local government by 2025 and an ongoing commitment to equal representation of women on public boards. The Victorian Government can build on this foundation by developing more ambitious targets for women in leadership, including leveraging the Social Procurement Framework to address the under-representation of women in leadership by asking suppliers to adopt targets for women across all levels of leadership (refer to Recommendation 21f). Since the Women on Boards Commitment was introduced by the Victorian Government in 2015, the aggregate proportion of women on boards covered under the commitment has increased from 38 to 56 per cent. Inquiry consultations identified that despite overarching success of the Women on Boards Commitment, there remain pockets of underperformance across some portfolios and boards, generally reflecting low levels of women's representation in majority-men industries. A review of this policy could support struggling sectors to address the structural barriers to gender equal recruitment on boards, and incorporate an intersectional approach for all board positions. The Victorian Government could also report on the benefits of gender parity in governance to develop a business case that can inform future scope of the commitment.

#### **③** Finding 9:

The Victorian Government can showcase the positive impacts of diverse women's leadership with a diversity-focused Women on Boards Commitment.

The 2020 local government elections significantly improved women's representation in local government, with women now making up 43.8 per cent of Victorian Councillors – the highest level of representation of women in local government across Australia.<sup>78</sup> The Inquiry commends the allocation of \$1.8 million in the *2021-22 State Budget* for the Leadership for Women in Local Government program to support women to become leaders through election to local government, with a focus on communities where women are under-represented on councils.<sup>79</sup>

<sup>76</sup> R Cassells and A Duncan, <u>Gender equity insights 2021: Making it a priority</u>, Bankwest Curtin Economics Centre (BCEC), Curtin University, 2021, accessed 12 November 2021.

<sup>77</sup> J Cermak, R Howard, J Jeeves, and N Ubaldi, <u>Women in leadership: Lessons from Australian companies leading the way</u>, McKinsey & Company, 2018, accessed 12 November 2021.

<sup>78</sup> Premier of Victoria, Record number of women elected to local councils [media release], 2020, accessed 15 November 2021.

<sup>79</sup> Victorian Government, Victorian State Budget 2021-22: Budget Paper No. 3, p80.

#### 、 お<u>、</u> ろ

#### CASE STUDY

#### Progress towards gender parity in local government <sup>80</sup>

Since the 2020 elections, which saw the representation of women in local government increase to 43.8 per cent of Victorian Councillors, the Victorian Government has formed the Gender Equality Advisory Council (GEAC) and provided \$1.8 million through the *2021-22 State Budget* to deliver the Leadership for Women in Local Government Program. The program will see 120 women from council areas with the lowest female representation provided with leadership training in the lead up to the 2024 local government elections. The program will also provide women with training in key skills that will further their careers in local government.

More work is required to develop and retain a pipeline of women in local government. The GEAC has identified post-election support to women councillors as vital to retaining those councillors and supporting them to stand for re-election. Burn out and inter-council conflicts, including bullying and misconduct, have been identified as key barriers to women standing for re-election. The GEAC will work to identify and develop supports to overcome these barriers in the lead up to the 2024 local government elections, in addition to longer-term strategies to improve behaviours and inter-council culture across Victoria.

#### **③** Finding 10:

The Victorian Government can look for more opportunities to address the systemic barriers facing women seeking election in local government, particularly women from diverse backgrounds and social groups.

#### The economic and social benefits associated with improved representation of women leaders makes a strong case for targeted and strategic investment

The need for targeted and strategic investment in women's leadership programs was raised by several stakeholders, particularly programs supporting women's leadership in majority-men industries, and for migrant and refugee women, Aboriginal women, and women within the LGBTQI+ community.<sup>81</sup> The Inquiry notes that while funding targeted leadership programs is an important element in addressing barriers to leadership opportunities for women, government should be wary of relying on capability-based programs in isolation. Leadership programs funded by the Victorian Government should support women in addressing structural and cultural barriers to women's leadership, particularly for women from diverse backgrounds and social groups.

#### **Q** Finding 11:

To ensure women's leadership programs lead to meaningful change in women's representation, the Victorian Government can pivot the funding of leadership programs from individual capability building, to programs that:

- a. address structural and cultural barriers to women's leadership
- b. apply an intersectional lens
- c. embed clear evaluative frameworks.

<sup>80</sup> Developed in consultation with Local Government Victoria, Department of Jobs, Precincts and Regions.

<sup>81</sup> Stakeholders include: Business and Professional Women, Ethnic Communities' Council of Victoria, Gender Equity Victoria, Merri Health, Multicultural Centre for Women's Health, National Association of Women in Operations, Office for Women, the Sex Discrimination Commissioner, Victorian Multicultural Commission, Victorian Pride Lobby, and WIRE.



Consideration should be given to how existing programs could be leveraged, including the Women on Boards Leadership Program, the Joan Kirner Young and Emerging Leaders and the LGBTQI+ Leadership program.<sup>82</sup> The Inquiry would like to see government take an intersectional focus to these programs and reach women from more diverse backgrounds and social groups. Submissions from the Ethnic Communities' Council of Victorian (ECCV) and the Multicultural Centre for Women's Health (MCWH) noted that existing leadership programs, including MCHW's PACE Women's Leadership Program, provide good examples of how tailored programs can support the specific needs of communities, such as meeting women where they are on their leadership journey. A holistic suite of leadership programs that meet the needs of women should prioritise co-design and co-delivery principles where appropriate (refer to Recommendation 2).

<sup>82</sup> The Women on Boards Leadership Program is a scholarship program that provides governance training and networking to help women advance their board careers. The Joan Kirner Young and Emerging Leaders program and the LGBTQI+ Leadership program provide development and networking opportunities to women aged 18 to 40 and members of the LGBTQI+ communities respectively.

#### /ሸ\ ሰ\_ስ

#### 3.3

# Promoting greater transparency and reporting of gender inequities

#### **O** Recommendation 14:

Extend the *Gender Equality Act 2020* to non-defined entities on a voluntary basis and support all organisations to address gender inequalities in workplaces and communities through the development of tailored research, guidance materials and education.

#### **Or Recommendation 15:**

Embed Gender Responsive Budgeting in Victoria through legislation that secures and future-proofs the practice within government.

#### **Q** Finding 12:

The Victorian Government can work with the Australian Government to develop a nationally consistent legislative framework for achieving progress on women's economic equity.

#### **Q** Finding 13:

A strategic, cohesive and adequately resourced approach should be taken to growing Victoria's gender equality workforce, including building capabilities and expertise to achieve meaningful progress under the *Gender Equality Act 2020.* 

#### **O** Recommendation 16:

Show policy leadership to other jurisdictions by increasing the collection, quality, and use of gender-disaggregated and intersectional data across the Victorian public sector. This should include supporting defined entities under the *Gender Equality Act 2020* to report on gender pay gaps for women from diverse backgrounds and social groups.

#### **Q** Finding 14:

The Victorian Government can embed transparent gender reporting across its practices and products to model best practice to other jurisdictions.

#### Finding 15:

The Victorian Government can look for opportunities to advocate to the Australian Government for ways to better collect, report and use gender-disaggregated and intersectional data at the national level. Measuring gender pay gaps is not enough – organisations should act on their pay equity outcomes to make a positive difference.'

Workplace Gender Equality Agency<sup>83</sup>

## 1. Introduction

Throughout history, women – particularly women from diverse backgrounds and social groups – have been overlooked and under-considered across all facets of society, resulting in systems and processes that have been designed and built for men. Until recently, very little data has been collected and used to understand the specific impacts of government policies, programs and services on women, or how these impacts may be different for women from diverse backgrounds.

Several submissions to the Inquiry noted that the only way to address economic inequity for all Victorian women is by firstly developing a detailed picture of how men's and women's experiences in workplaces and the community differ, including how some women's experiences may be affected by characteristics such as Aboriginality, religion, ethnicity, disability, age, sexual orientation or gender identity. While the implementation of the *Gender Equality Act 2020* (the GE Act) has increased the collection of gender-disaggregated data about women's experiences in workplaces, there remain significant gaps in the collection and analysis of intersectional gender-disaggregated data.

This data is critical as it enables government to identify and address barriers to gender equality, and monitor and evaluate the impact of interventions aimed at breaking down those barriers. Without a detailed and accurate picture of Victoria's present baseline position, it will be difficult to assess whether the Victorian Government's investments in gender equity are having the intended effects.

## 2. Key issues

#### Insufficient data is collected about how women from diverse backgrounds and social groups experience inequities

Across the Inquiry process, a key concern raised by stakeholders was the lack of high-quality and sufficiently detailed gender-disaggregated and intersectional data relating to inequalities, discrimination and sexual harassment being collected and analysed across all levels of government.<sup>84</sup> As noted in submissions by Gender Equity Victoria, Ethnic Communities' Council of Victoria and the Multicultural Centre for Women's Health:

'Despite their significant contribution to Victoria's social, economic and cultural life, there is an unacceptable scarcity of data and research that allows a more refined understanding of the different experiences of women from migrant and refugee backgrounds.'

While economic data has been able to highlight the disproportionate impact of the COVID-19 pandemic on women, with some disaggregation possible based on age and family relationship status (refer to Chapter 1: *Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic*) further disaggregation, to understand how the COVID-19 pandemic has affected Aboriginal women, culturally and linguistically diverse women, migrant and refugee women, LGBTQI+ women or women with disability, has not been possible. While there are some initiatives to collect and publish more gender data across Australia, reporting and analysis is inconsistent and rarely provides intersectional insights

While there are the beginnings of a baseline of gender-disaggregated data collected at the federal, state and local government levels, data about the intersectional experiences of women in workplaces is rarely collected or published.<sup>85</sup> A key barrier to collecting and publishing data on the different dimensions of identity such as race, sexuality and disability is that it is by its nature personal and must be voluntarily provided. The second significant barrier is that the public value of the data being published must be balanced with the privacy rights of the individual, particularly when very small numbers may lead to re-identification of individuals even when data is de-identified.

At the federal level, Australia has a good record of collecting, analysing and publishing gender-disaggregated data where funding allows, including through the Census and Australian Bureau of Statistics (ABS) Gender Indicators series, which was specifically commissioned by the Australian Government Office for Women in 2012. However, the ABS Time Use Survey which collects data on how Australians balance their time between work, family, leisure, caring and other activities and provides critical insight into how unpaid work is distributed within households, is undertaken sporadically. The Inquiry notes that while the ABS intends to undertake the survey again in 2020-21, this will be the first time the survey has been conducted in 15 years.

85 WGEA, Gender equality and intersecting forms of diversity, Australian Government, 2021, accessed 12 November 2021.

<sup>84</sup> Stakeholders include: Australians Investing in Women, The Australia Institute Nordic Policy Centre, Champions of Change Coalition, the Commission for Gender Equity in the Public Sector, Dr Elizabeth Hill, Ethnic Communities Council of Victoria, Gender Equity Victoria, Global Institute for Women's Leadership, Dr Leonora Risse, Dr Marian Baird, Multicultural Centre for Women's Health, the Sex Discrimination Commissioner, Victorian Council of Social Services, Victorian Multicultural Commission, Victorian Women Lawyers, Whittlesea Community Connections, and WIRE.

Also at the federal level, the WGEA collects gender-disaggregated workplace data under the *Workplace Gender Equality Act 2012* (the WGE Act). Under the WGE Act, all private sector companies with 100 or more employees are required to report to WGEA annually on a set of gender equality indicators, including a measurement of pay gaps, and whether the organisation has strategies in place to address gender inequities. The WGE Act currently does not hold organisations accountable for implementing their gender equality strategies or require them to show progress against any of the indicators. This Inquiry hopes the scope of the WGE Act may be broadened to include these accountability measures in its upcoming review.<sup>86</sup>

In Victoria, the GE Act requires more rigorous reporting of intersectional gender-disaggregated

workplace data to the Commission for Gender Equality in the Public Sector (CGEPS) and is leading the nation through its focus on data and progress. The GE Act requires the Victorian public sector, local councils and universities with 50 or more employees (known as 'defined entities') to:

- 1. prepare, submit, and publish a Gender Equality Action Plan (GEAP) every four years
- publicly report on their progress in relation to workplace gender equality including any targets
- promote gender equality in policies, programs and services that impact the public
- 4. complete gender impact assessments (GIAs) on all new policies, programs and services.

#### CASE STUDY

## What works – Victoria's *Gender Equality Act 2020* – a progressive framework focused on building transparency, accountability and cultural change

#### What's in a Gender Equality Action Plan?

Gender Equality Action Plans (GEAPs) are required to be prepared, submitted, and published every four years by defined entities. When preparing a GEAP, defined entities must conduct an audit by collecting intersectional gender-disaggregated data against set workplace gender equality indicators and implement measures to improve gender equality in the workplace based on the results of the audit.<sup>87</sup>

#### What's in a gender impact assessment?

Defined entities are required to do gender impact assessments (GIAs) on all new policies, programs and services that significantly impact the public, as well as those up for review. GIAs are used to consider gender-disaggregated data about the community's different needs, assess the effects that the policy, program or service may have on people of different genders, explain how the policy, program or service will be changed to better support Victorians of all genders and promote gender equality, and where practical, apply an intersectional lens to ensure the policy, service or program considers how gender inequality can be compounded based on characteristics other than gender.

#### How is progress assessed?

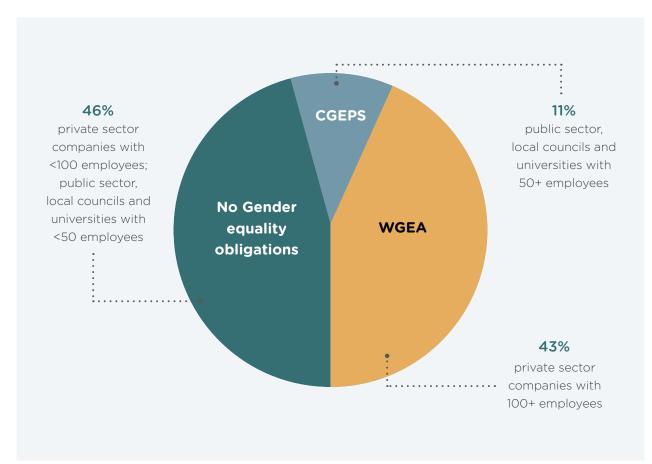
Two years after completing a GEAP, defined entities must submit a progress report that outlines what policies, programs and services were subject to a GIA, what actions they took as a result of the GIA, their progress in relation to the strategies set out in their GEAP, their progress in relation to the workplace gender equality indicators through conducting another workplace gender audit, and whether they met any relevant targets or quotas.<sup>88</sup>

<sup>86</sup> Department of Prime Minister and Cabinet, <u>Review of the Workplace Gender Equality Act</u>, Australian Government, 2021, accessed 23 November 2021.

<sup>87</sup> Workplace gender equality indicators in the GE Act include gender pay equity, gender composition at all levels of the workforce, gender composition of governing bodies, workplace sexual harassment, recruitment and promotion, gendered workforce segregation, leave and flexibility.

<sup>88</sup> The Inquiry notes there are currently no targets or quotas in place due to a lack of available data to inform what these targets or quotas should be.

While the GE Act creates a strong framework to assess and improve gender inequities in the workforce, it covers a relatively small subset of Victorian employers (Chart 10). The Inquiry notes that the GE Act applies to approximately 11 per cent of the Victorian workforce. In contrast, approximately 40 per cent of the Australian workforce is covered in reporting to WGEA and 46 per cent of the Victorian workforce is not reported on at all, owing to their not-for-profit sector status or small workplace size which currently fall outside of the remit of both WGEA and CGEPS.<sup>89</sup>



#### Chart 10: Breakdown of the Victorian workforce that is covered under existing gender equality legislation

Note: Based on analysis provided by Dr Leonora Risse (RMIT University) using 2019 HILDA data. Values are approximate.

#### Improvements in gender equality are slow and reporting alone is not enough to drive progress

The Inquiry notes that despite 22 years of reporting to WGEA, progress by the private sector in closing their gender gaps has been very slow.<sup>90</sup> One key issue is that the WGE Act does not enforce accountability measures once reporting is completed. Recent evidence shows that the combination of undertaking a gender pay gap audit and establishing measures of accountability, such as a formal commitment by the company to report the outcomes of the audit to the company's Board or Executive, corresponds to a greater narrowing of gender gaps within an organisation.<sup>91</sup> The absence of these accountability measures can lead to what has been described as an 'action gap', where analytical insights are generated but not acted upon.<sup>92</sup>

90 Includes reporting under the former iteration of the *Workplace Gender Equality Act 2012*, the *Equal Opportunity for Women in the Workplace Act 1999* (Cth).

92 WGEA, *New WGEA data shows employer Action on gender equality has stalled* [media release], Australian Government, 2020, accessed 12 November 2021.

<sup>89</sup> L Risse, Submission to the Inquiry into economic equity for Victorian women, 2021.

<sup>91</sup> R Cassells and A Duncan, <u>Gender equity insights 2021: Making it a priority</u>, Bankwest Curtin Economics Centre (BCEC), Curtin University, 2021, accessed 12 November 2021.

To drive progress, organisations need a comprehensive set of action-based resources, including analytical toolkits and research-driven information, to undertake this analysis, understand the results and implement strategies.<sup>93</sup> Under current legislative requirements, entities that report to WGEA have no obligation to use these resources. Entities that report to CGEPS are required to use these resources, however several CGEPSs stakeholders said that they require more education and support to be able to effectively use them.

The Inquiry also heard from CGEPS that several Victorian organisations that fall outside of the scope of existing reporting requirements, particularly in the community services sector and among small and medium enterprises, would like to voluntarily meet the requirements of the GE Act by using CGEPS' existing tools and guides. However, the Inquiry understands that these resources are not currently tailored to the needs of these organisations, leaving them unsure of where to start.

#### Even when data is available, gender impacts are not actively considered in the policy making process

The Inquiry notes that all government decisions should be made based on community need, concern and interest (refer to Recommendations 2 and 3). However, policymakers frequently make significant decisions about funding allocations and policy design without reference to gender-disaggregated data and analysis.

.Previous sections of this chapter have highlighted the limitations of the data available to measure the gendered impacts of policy decisions. This gap in high-quality evidence and data, combined with lower representation of women - particularly women from diverse backgrounds and social groups - in parliament and in public service leadership positions, means gender is often not actively considered as part of government decision-making. As noted in Chapter 1: Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic, Grattan Institute analysis of the impact of the COVID-19 pandemic found that despite majority-women industries including retail and hospitality being the hardest-hit in the COVID-19 pandemic recession, more direct support flowed to the majority-men construction and energy sectors than to all other sectors combined.94

93 L Risse, Submission to the Inquiry into economic equity for Victorian women, 2021.

94 D Wood, K Griffiths and T Crowley, <u>Women's work: The impact of the COVID crisis on Australian women</u>, Grattan Institute, 2021, accessed 12 November 2021.



## 3. Findings and Recommendations

## Without an expansion strategy, vital progress under the GE Act risks being limited to the public sector

The Inquiry commends the Victorian Government on their recent implementation of the GE Act. The GE Act will provide a robust foundation for improving Victoria's collection and analysis of data on gender inequalities, and drive significant cultural change in workplaces.

While the GE Act creates a strong framework to assess and improve gender inequities in the workforce, the Inquiry notes the defined entities under the GE Act form a relatively small subset of Victorian organisations, covering just 11 per cent of the Victorian workforce (Chart 10).

The Inquiry is clear in its view that society-wide cultural change will not occur unless the majority of Victorian organisations and businesses are lawfully required to make progress on gender equality. The Inquiry therefore recommends that the Victorian Government supports more Victorian organisations to improve gender equality under the GE Act, initially on a voluntary basis, with a view to eventually legislating to include all Victorian organisations with 50 or more employees within its scope.<sup>95</sup>

#### **O** Recommendation 14:

The Inquiry recommends that the Victorian Government:

Extend the *Gender Equality Act 2020* to non-defined entities on a voluntary basis and support all organisations to address gender inequalities in workplaces and communities through the development of tailored research, guidance materials and education.

The Inquiry understands through consultation with CGEPS that expanding voluntary reporting and support to non-defined entities across Victoria may require a staged approach. The Inquiry would like to see the Victorian Government prioritise support for small and medium enterprises (SMEs) to participate in the first stage of voluntary reporting, as existing research highlights the need for stronger equal pay policies and education for these organisations.<sup>96</sup> Following SMEs, voluntary reporting and support should be expanded to the community and not-for-profit sector, private sector companies in industries with high gender pay gaps and/or majority-men workforces, and lastly to all private sector companies in Victoria with more than 50 employees. SMEs with less than 50 employees should continue to be encouraged and supported to report on a voluntary basis.

To support participation, the Victorian Government should consider offering incentives, such as small grants to support voluntary reporting from sectors who may otherwise struggle to participate.

<sup>95</sup> The Inquiry notes this recommendation could feed into the rollout of the Victorian Government's Building Equality Policy (refer to Recommendation 20) by supporting the construction sector to undertake workplace gender audits and develop Gender Equality Action Plans.

<sup>96</sup> Victorian Equal Opportunity and Human Rights Commission, *Equal pay matters: Achieving gender pay equality in small-to-medium* enterprises, 2021, accessed 12 November 2021.

As private companies with 100 or more employees are required to report to WGEA, the Victorian Government could also consider how to streamline reporting commitments for companies that already report to WGEA. This should involve coordination between CGEPS and WGEA to develop a consistent approach to data reporting and sharing across jurisdictions.<sup>97</sup>

#### **Q** Finding 12:

The Victorian Government can work with the Australian Government to develop a nationally consistent legislative framework for achieving progress on women's economic equity.

#### Without a workforce strategy, vital progress under the *Gender Equality Act 2020* risks stalling

The Inquiry understands from consultation with CGEPS that most defined entities with obligations under the GE Act have hired staff on a short-term, usually six-month basis to support the first stage of reporting obligations into early 2022. The staff hired to drive progress under the GE Act have an inconsistent mix of skills in gender equality reform and organisational culture change.

The Inquiry understands that rural and regional defined entities are finding it particularly challenging to fund these positions and to recruit and retain gender equality experts. Defined entities need an ongoing, networked and highly skilled workforce to drive progress on gender equality across the public sector.<sup>98</sup> This workforce would also be well-positioned to support the not-for-profit sector and SMEs to be brought under the GE Act in future.

#### **Q** Finding 13:

A strategic, cohesive and adequately resourced approach should be taken to growing Victoria's gender equality workforce, including building capabilities and expertise to achieve meaningful progress under the *Gender Equality Act 2020.* 

#### Further work is required to fully embed an intersectional gender lens across all Victorian Government policies and processes

The Inquiry notes the positive duty contained in the GE Act that requires Victorian Government departments to embed an intersectional gender lens into the development of new policies, programs and services. As a show of leadership, the Victorian Government should make every possible attempt to meet this obligation as soon as possible.

The Inquiry also commends the Victorian Government on their recent establishment of a Gender Responsive Budgeting (GRB) unit within the Department of Treasury and Finance and notes a separate Inquiry into GRB is underway through the Parliament of Victoria. The Inquiry anticipates the GRB Inquiry will produce findings and recommendations to achieve best practice principles of GRB in Victoria and supports the Victorian Government in accepting them.

It is clear to the Inquiry that thoroughly embedding GRB practices across government will bring a much-needed gender lens to economic policy and help close economic gender gaps. This process will require an ongoing and sustained bipartisan commitment, which legislative obligations can help to achieve.<sup>99</sup>

<sup>97</sup> The Inquiry notes that at the time of writing, National Cabinet had commenced work on a nationally consistent reporting framework for measuring progress for women's economic security. The Inquiry welcomes successful coordination between State and Commonwealth governments to develop a progressive and consistent approach to data collection and reporting across Australia.

<sup>98</sup> The Inquiry notes the Victorian Government is supporting the development of a skilled gender equality workforce by providing access to the upcoming TAFE course in Gender Equality under the Victorian Government's Free TAFE program from 2022. Premier of Victoria, <u>Gender Equality At The Heart Of New Fee-Free TAFE Courses</u> [media release], 2021, accessed 11 January 2022.

<sup>99</sup> R Sharp and R Broomhill, <u>A case study of gender responsive budgeting in Australia</u>, Commonwealth Secretariat, 2014, accessed 12 November 2021.

#### **()** Recommendation 15:

The Inquiry recommends that the Victorian Government:

Embed Gender Responsive Budgeting in Victoria through legislation that secures and future-proofs the practice within government.

In addition to legislating a commitment to nation-leading data collection and analysis practices across the Victorian Government, the Inquiry would like to see the Victorian Government show leadership in this space by being transparent in its progress towards achieving gender equality.

#### **Q** Finding 14:

The Victorian Government can embed transparent gender reporting across its practices and products to model best practice to other jurisdictions.

Opportunities for action in this space include:

- expanding the Women's Budget Statement to include coverage that identifies Victorian Government policies and activities that advance gender equality goals and any gaps in policies or activities<sup>100</sup>
- public reporting on gender-equitable policy for briefing barristers
- public reporting by the Victorian Government Purchasing Board on outcomes achieved under the Women's Safety and Equality objective of the Social Procurement Framework
- include quality performance measures relating to GRB in the Treasury Annual Report<sup>101</sup>
- place accountability for GRB in DTF's Resource Management Framework.<sup>102</sup>

#### Significant investment is required across all levels of government to improve the reporting, use and publication of data relating to gender inequalities

As highlighted earlier in this chapter, insufficient data is collected that can be used to understand how women – particularly women from diverse cohorts and social groups – experience inequity. Bringing the not-for-profit and community sector into the scope of the GE Act will fill significant data gaps in our understanding of employees and their experiences in these sectors.

However, we still lack data on the compounding social, cultural and economic factors that create discrimination and disadvantage. This is a critical deficit in understanding that must be urgently rectified. Policy interventions that are intended to service the needs and interests of Victorian communities must be designed based on high-quality data.

#### Recommendation 16:

The Inquiry recommends that the Victorian Government:

Show policy leadership to other jurisdictions by increasing the collection, quality, and use of gender-disaggregated and intersectional data across the Victorian public sector. This should include supporting defined entities under the *Gender Equality Act 2020* to report on gender pay gaps for women from diverse backgrounds and social groups.

101 Ibid. 102 Ibid.

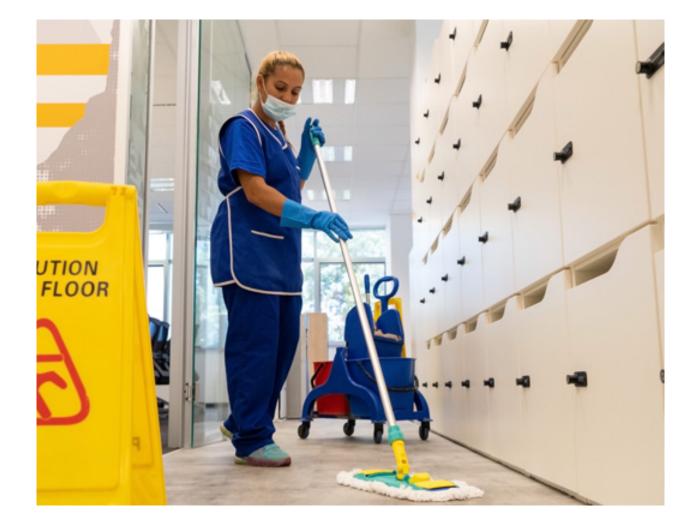
<sup>100</sup> Gender Equity Victoria, Submission to the Inquiry into economic equity for Victorian women, 2021.

The Victorian Government can examine ways to improve the collection, quality, and application of gender-disaggregated and intersectional data, including by consulting with workplaces specifically on the difficulties they have collecting this data. Collecting data disaggregated by other socio-demographic characteristics in addition to gender would also help inform GRB in government. The feasibility of using disaggregated or linked administrative datasets for these analytical purposes could be investigated.

The Inquiry understands that building the capacity of defined entities to collect and analyse intersectional data will take time and considerable effort by CGEPS. The Inquiry recommends focusing on building capacity to analyse and publish intersectional gender pay gaps as a first priority, recognising that reporting of intersectional characteristics is provided voluntarily by employees and that data gaps may compromise findings over the first few years. Gender-disaggregated and intersectional data could also be collected and used to inform federal policy development. The Australian Government could adopt GRB, build greater accountability and enforcement measures into reporting requirements under the WGE Act, and fund the ABS to report on gender impacts, with a particular focus on intersectional data.

### **Q** Finding 15:

The Victorian Government can look for opportunities to advocate to the Australian Government for ways to better collect, report and use gender-disaggregated and intersectional data at the national level.





CHAPTER FOUR



Addressing gender segregation and inequities by occupation and industry

This chapter will canvass the impacts of gender segregation in the Victorian workforce and set out recommendations aimed at improving education and training pathways for women, re-balancing the representation of women in non-traditional sectors and recognising the real value of care and community work.

# 4.1

# Improving education and training pathways for women

### **()** Recommendation 17:

Improve outcomes for women through the VET-TAFE system by:

- ensuring the inaugural Victorian Skills Plan includes specific consideration of the intersectional needs and interests of women to boost women's participation in non-traditional education and training
- appointing a Gender Equality Advisor who will work across the VET system to develop a whole-of-system Gender Equality Strategy
- c. providing adequate resourcing to implement the Respect and Equality in TAFE approach across Victoria and ensure consultation with the Commission for Gender Equality in the Public Sector.

### **Q** Finding 16:

The Victorian Government can explore opportunities to leverage the existing skills and experiences of migrant and refugee women, including reviewing how overseas qualifications can be better recognised and matched to job vacancies in the Victorian labour market.

## **Q** Finding 17:

The Victorian Government can improve job-matching of women in non-traditional sectors following completion of study or training, and develop options for valuing and accrediting prior skills and qualifications when an individual is transitioning to a new sector.

### **O** Recommendation 18:

Increase the number of women working in non-traditional sectors through programs such as:

- a. free courses and scholarship incentives in fields including STEMM, technology, manufacturing and building/ construction (similar to the Women in Trades initiatives)
- b. tailored pre-employment support programs for women from diverse communities and social groups that support their transition into well-matched jobs.

Gender-segregated labour markets are reflected in gender-segregated skills and education systems where pedagogy, structures, culture and attitudes to gender and work are entrenched at the start of a person's post-secondary school educational journey and working life'.

Gender Equity Victoria<sup>1</sup>

# 1. Introduction

Women's participation in education and training has been consistently strong over the past 20 years. However, gender norms and stereotypes still shape decisions around education and career pathways for all Victorians. Gender norms and stereotypes established at school influence post-school enrolments, and ultimately lead to gender-segregated workforces.

Historically, periods of recession and higher unemployment have increased the number of people looking to retrain.<sup>2</sup> Education and training can support women to re-skill, up-skill, or transition into new and emerging sectors in the aftermath of economic disruption. Between March 2020 and September 2021, 133,000 Victorian women and 105,000 Victorian men lost their jobs because of the disruption caused by the COVID-19 pandemic.<sup>3</sup>

Encouraging women into non-traditional retraining opportunities could fill workforce shortages in existing and emerging industries. The National Skills Commission projects that four key industries will generate 64 per cent of total employment in Australia over the next five years:<sup>4</sup>

health care and social services (increasing by 249,500);

accommodation and food services (139,000);

professional, scientific and technical services (131,100);



and education and training (118,600).

The Victorian Government must ensure those Victorians who wish to re-skill or up-skill have the opportunity to do so. Post-pandemic recovery also presents an opportunity for the Victorian Government to support women and men into non-traditional occupations and industries, supporting emerging industries in the process.<sup>5</sup> Concurrently, there are opportunities to address inefficiencies in skills-matching and improving employment outcomes for Victorians from migrant and refugee backgrounds.

<sup>1</sup> Gender Equity Victoria, <u>Submission to Skills for Victoria's Growing Economy</u>, 2020, accessed 2 October 2021.

<sup>2</sup> R Batchelor, *The Impact of COVID-19 on Women and Work in Victoria*, The McKell Institute, 2021, accessed 14 August 2021.

<sup>3</sup> Australian Bureau of Statistics, *Labour Force, Australia*, ABS website, October 2021, accessed 12 November 2021.

<sup>4</sup> Australian Government, 2020 Employment Projections – for the five years to November 2025, Labour Market Information Portal, 2021, accessed 15 October 2021.

<sup>5</sup> KPMG, *The Importance of TAFE to Victoria's prosperity: Final report*, 2018, accessed 14 October 2021.

| ስ

In conjunction with investments in skills and training opportunities, the Victorian Government must ensure all Victorians can reach their full potential in the workplace by ensuring workplaces are safe, equal and respectful of women's career aspirations and decisions (refer to Chapter 3.1: *Making* workplaces safe, equal and free from discrimination and Chapter 3.2: Increasing women's leadership, promotion and influence).

# 2. Key issues

# Gender norms and biases are established and reinforced in the classroom

Primary and secondary education shape a young person's understanding of the world, the skills they and others possess, the obstacles and biases they will encounter in their future, and what careers they can aspire to. In a 2018 study, the University of Queensland found that:

'Gender disparity in certain industries, and in gaining access to senior leadership roles in particular, can be traced to influences surrounding the experiences and decisions made in childhood and early high school years by boys and girls.'<sup>6</sup>

Feedback from teachers and classroom activities can reinforce stereotypes regarding the different skills and attributes held by boys and girls.<sup>7 8</sup>

Gender norms established at school can direct young people into sectors that adhere to these norms, for example, leading women into the caring professions.<sup>9</sup> Gender segregation is also driven by early school decisions about which subjects to study, which in turn shapes decisions about university and Vocational Education and Training (VET) enrolments that often have pre-requisite subject requirements. This trend is born out in current workforce participation data by occupation and will be explained further in Chapter 4.2: *Re-balancing the representation of women in non-traditional sectors* and Chapter 4.3: *Recognising the real value of care and community work.* 

# Gender segregation in VET leads to gender segregation in the workplace

A high-functioning and well-resourced training and education system is integral to Victoria's economic recovery. As outlined in Chapter 1: *Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic*, women have been disproportionally impacted by the COVID-19 pandemic in terms of job losses. The pandemic has also affected women's enrolment in higher education. In 2020, 60,000 fewer women over the age of 25 enrolled in university courses compared to 2019, whereas the enrolment of men over the age of 25 declined by only 26,000 over the same period.<sup>10</sup>

The gender divide in subject choice is greater in VET, particularly apprenticeships, than in higher education.<sup>11</sup> Chart 11 shows the field of study completed in 2020 by both women and men. Men complete courses in higher paying industries – such as architecture and building, engineering and related technologies, and IT – at much higher rates than women. Women are over-represented in lower paying courses in health, society and culture, and education.

6 T W Fitzsimmons, M S Yates and V Callan, <u>Hands Up for Gender Equality: A Major Study into Confidence and Career Intentions</u> of <u>Adolescent Girls and Boys</u>, Australian Institute of Business and Economic Centre for Gender Equality in the Workplace, The University of Queensland, Brisbane, 2018, accessed 15 October 2021.

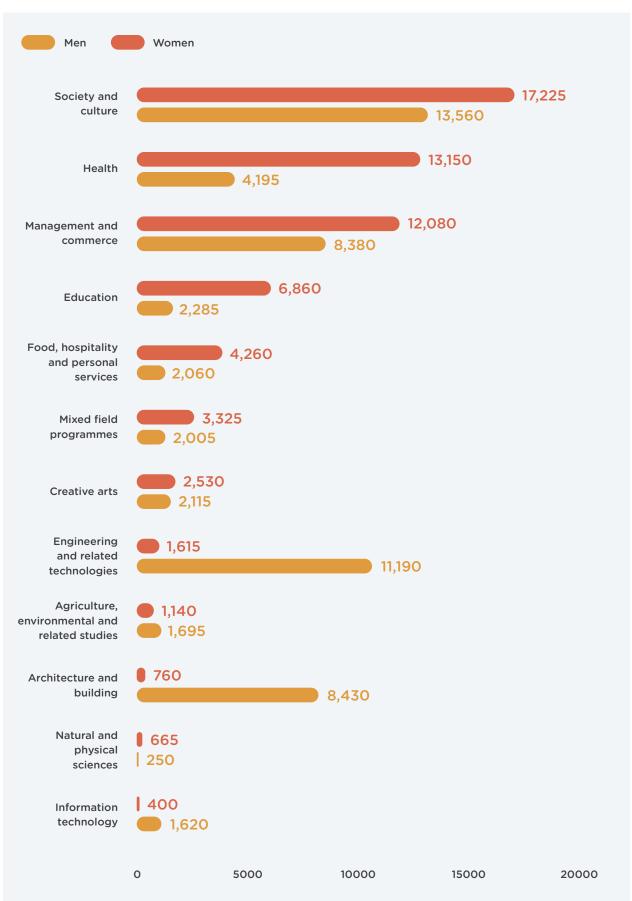
<sup>7</sup> In 2021, the G7 Gender Equality Advisory Council found that gender segregation is influenced by gender-based biases held by teachers' which negatively impacts on girls' performance.

<sup>8</sup> T W Fitzsimmons, M S Yates and V Callan, Hands Up for Gender Equality: A Major Study into Confidence and Career Intentions of Adolescent Girls and Boys, Australian Institute of Business and Economic Centre for Gender Equality in the Workplace, The University of Queensland, Brisbane, 2018, accessed 15 October 2021.

<sup>9</sup> In 2021, the G7 Gender Equality Advisory Council also found that gender stereotypes in education have limited the opportunities available to girls as they are not encouraged to undertake subjects such as science, technology, engineering, mathematics and medicine (STEMM).

<sup>10</sup> Australians Investing in Women and Equity Economics, <u>Gender-wise Investing: A Springboard for Australia's Recovery</u> 2021, accessed 20 September 2021.

<sup>11</sup> A Norton and I Cherastidtham, *Risks and rewards: When is vocational education a good alternative to higher education?*, Grattan Institute, 2019, accessed 22 September 2021.



#### Chart 11: Victorian TAFE course completions by field of study, 2020

Source: National Centre for Vocational Education Research, Total VET students and courses 2020, 2021.

| ስ

Women are also over-represented in traineeships and under-represented in trade apprenticeships (comprising just 9 per cent of apprenticeship enrolments).<sup>12</sup>

Education and training sectors are projected to increase by 10 per cent by 2025 in line with the rising population of school-aged people and increased demand for adult training.<sup>14 15</sup>An understanding of intersectional gender equity must be brought to the industry to ensure it grows equitably.

# Many women face compounding forms of discrimination and disadvantage, which increase the barriers to training and employment

The COVID-19 pandemic significantly affected women's employment and certain cohorts of women experienced higher job losses (refer to Chapter 1: Addressing the exacerbation of existing economic inequities by the COVID-19 pandemic). In many cases, the pandemic compounded existing economic inequalities and employment barriers facing women. Several stakeholders raised the need for tailored training and employment programs that target the specific barriers and needs of different cohorts of women, as outlined below.<sup>16</sup> Older and younger women were most likely to be impacted by job losses during the pandemic. In their submission to the Inquiry, Good Shepherd highlighted age discrimination as a significant barrier to older women's workforce participation, and noted that older women are more likely to be perceived as having outdated skills or being slow to learn new skills than older men.

The number of single parents (85 per cent of whom are women) with a job fell by nearly 25 per cent between March 2020 and September 2020.<sup>17</sup> In their consultation with the Inquiry, the Council of Single Mothers and their Children noted that single mothers are often working in an insecure, casual capacity to balance caring and domestic responsibilities and are therefore more vulnerable to changes in employers' circumstances.

Migrant and refugee women face additional compounding inequalities. Discrimination, language and cultural barriers as well as a lack of recognition of existing work experience and qualifications lead to employment outcomes that are lower for women from migrant and refugee backgrounds, when compared to women's employment outcomes overall, or with men from migrant and refugee backgrounds.<sup>18</sup> In their joint submission to the Inquiry, the Ethnic Communities' Council of Victoria (ECCV) and the Multicultural Centre for Women's Health (MCWH) noted when migrant and refugee women do find paid work, they are more likely to be in low-paid and insecure work.

<sup>12</sup> Department of Jobs, Precincts and Regions, Submission to the Inquiry into economic equity for Victorian women, 2021.

<sup>13</sup> Despite women comprising almost half of all employed persons in Australia, they represent 2 per cent of trade workers.

<sup>14</sup> National Skills Commission, *The shape of Australia's post COVID-19 workforce*, Australian Government National Skills Commission, Australian Government, 2021, accessed 10 October 2021.

<sup>15</sup> A Norton and I Cherastidtham, *Risks and rewards: When is vocational education a good alternative to higher education?*, Grattan Institute, 2019, accessed 22 September 2021.

<sup>16</sup> Stakeholders include: AMES Australia, Australian's Investing In Women, Brotherhood of St Laurence, Business Council of Australia, Council of Single Mothers and their Children, Ethnic Communities' Council of Victoria, Future Work Lab, Gender Equity Victoria, Good Shepherd, Associate Professor Irma Mooi-Reci, Dr Angela Jackson, Multicultural Centre for Women's Health, Dr Leonora Risse, the Salvation Army, SisterWorks, Victorian Multicultural Commission, and Victorian Council of Social Services.

<sup>17</sup> Australian Bureau of Statistics, *Labour Force Australia*, August 2021, accessed 10 October 2021.

<sup>18</sup> Harmony Alliance, <u>A Strategic Approach to Improving Employment Outcomes of Women from Migrant and Refugee Backgrounds in Australia</u>, 2019, accessed 12 November 2021.

# 3. Findings and Recommendations

# Integrating an intersectional gender-lens into the VET/TAFE system will improve outcomes for women

To ensure Victorian women have the skills and training to take up decent work opportunities across their working lives, the Victorian Government must identify and address existing structural inequalities in the VET system and then reform the VET system with women's needs in mind.<sup>19</sup>

The Skills for Victoria's Growing Economy Review led by the Hon. Jenny Macklin (the Macklin Review) included a thorough investigation into current and future skills needs in Victoria, and has led the Victorian Government to start developing a plan for how to meet skills gaps (the Victorian Skills Plan).<sup>20</sup>

The Inquiry recommends that the development and implementation of the Victorian Skills Plan explicitly consider the intersectional needs and interests of women with a view to increasing women's enrolment and retention in non-traditional courses (Recommendation 17a).<sup>21</sup> Beyond the Victorian Skills Plan, the Inquiry acknowledges the work underway at a system level, including the launch of the Office of TAFE coordination and delivery under the new Victorian Skills Authority and implementation of Our Watch's Respect and Equality in TAFE (RET) guide.<sup>22</sup> <sup>23</sup> To ensure these reforms are coordinated and include focus on improving outcomes for women, the Inquiry recommends a Gender Equality Advisor be appointed to work across the system and develop a whole-of-VET system Gender Equality Strategy (Recommendation 17b). This strategy should address existing structural inequalities across the VET system and guide the development of TAFEs' next Gender Equality Action Plans under the Gender Equality Act 2020 (the GE Act).

The RET guide provides an opportunity to address gender inequalities beyond course selection and workforce through its focus on addressing barriers faced by students in terms of enrolment and access to training, and on the role that educators and staff play in influencing the learning environment.<sup>24</sup> The Inquiry recommends that the Victorian Government provide adequate resourcing to implement the RET across Victoria and also recommends that CGPES be consulted to ensure the respective frameworks complement each other (Recommendation 17c).

<sup>19</sup> Education Services Australia noted in their submission that "Access to tailored, suitable and effective education improves career prospects and significantly reduces economic disadvantage. By developing and improving education services for young women and ensuring access to them, governments can achieve greater economic equity for women and make those improvements permanent."

<sup>20</sup> J Macklin, *Future Skills for Victoria: Driving collaboration and innovation in post secondary education and training*, Victorian Government, 2020, accessed 2 October 2021.

<sup>21</sup> As recommended in the Macklin Review.

<sup>22</sup> Department of Education and Training, *Victorian Skills authority: New Approach for a new era*, Victorian Government, 2021, accessed 18 October 2021.

<sup>23</sup> Our Watch, <u>Respect and Equality in TAFE: Building a TAFE environment that promotes gender equality and respect</u> (Victorian guide), 2021, accessed 2 October 2021.

<sup>24</sup> As VET institutions are 'defined entities' under the *Gender Equality Act 2020*, they are required to report against gender principles within the workforce. The RET initiative goes beyond this obligation as it considers gender equality reform across the five key domains. Our Watch, *Respect and Equality in TAFE: Building a TAFE environment that promotes gender equality and respect* (*Victorian guide*), 2021, accessed 2 October 2021.

### **()** Recommendation 17:

The Inquiry recommends that the Victorian Government:

Improve outcomes for women through the VET-TAFE system by:

- ensuring the inaugural Victorian Skills Plan includes specific consideration of the intersectional needs and interests of women to boost women's participation in non-traditional education and training
- appointing a Gender Equality Advisor who will work across the VET system to develop a whole-of-system Gender Equality Strategy
- c. providing adequate resourcing to implement the Respect and Equality in TAFE approach across Victoria and ensure consultation with the Commission for Gender Equality in the Public Sector.

Improved skill-matching and recognition of oversees qualifications will improve the economic wellbeing of women from migrant and refugee backgrounds, and support Victoria's economic recovery

Several stakeholders highlighted the barriers to workforce participation for women from migrant and refugee backgrounds in Victoria.<sup>25</sup> In their submission to the Inquiry, Ethnic Communities Council of Victoria and Multicultural Centre for Women's Health noted that:

'The lack of Australian work experience, lack of local social networks, and low English proficiency are commonly acknowledged as barriers to more economic participation of migrants and refugees. However, less attention is given to structural and systemic issues, such as recognition of skills, work experience and qualifications obtained overseas.'

One third of Victorian women and girls have migrated to Australia from a non-English speaking country, however, in a recent survey of migrant and refugee women in Australia, 59 per cent of those women who were unemployed and looking for employment said it was difficult to find a job.<sup>26 27</sup> Of the 1,392 survey participants, 67 per cent were in peak employment years (18-44), 71 per cent had a tertiary degree and 68 per cent considered they could speak English 'extremely well' or 'very well', challenging the view that women suffering from labour market disadvantages are mainly those with poor English and low qualifications. In 2018, Deloitte calculated that the untapped talent and skills held by migrants and refugees in Queensland represented a \$250 million economic opportunity. Deloitte also found that 49 per cent of skilled migrants were not using their skills or experiences gained before arriving, and that

25 Stakeholders include: AMES, Ethnic Communities Council of Victoria, Multicultural Centre for Women's Health, and the Victorian Multicultural Commission.

<sup>26</sup> Approximately 886,000 women and girls have migrated to Victoria from a main non-English speaking country, making up approximately 29 per cent of women in Victoria. Ethnic Communities Council for Victoria and Multicultural Centre for Women's Health, *Submission to the Inquiry into economic equity for Victorian women*, 2021.

<sup>27</sup> Participants in this survey resided across Australia. Over 85 per cent of the sample resided in urban areas and 45 per cent resided in Victoria. M Segrave, R Wickes, and C Keel, *Migrant and refugee women in Australia: The Safety and Security Survey*, Monash University, 2021.

more women than men were underutilising their skills and experiences (58 per cent of women, compared to 42 per cent of men).<sup>28</sup>

The Victorian Government can leverage the existing skills and experiences of women from migrant and refugee backgrounds in Victoria by undertaking a review of:

- the settlement process for migrants in Victoria, including wrap-around financial, caring and housing supports, English language and digital literacy training, and tailored employment advice
- the recognition and utilisation of overseas qualifications, and opportunities for re-training where appropriate
- key affordability and accessibility barriers associating with re-training for the Australian labour market.

## **③** Finding 16:

The Victorian Government can explore opportunities to leverage the existing skills and experiences of migrant and refugee women, including reviewing how overseas qualifications can be better recognised and matched to job vacancies in the Victorian labour market.

# Providing students with information and skills to counter harmful gender norms and stereotypes will support women's economic security over the life course

Several submissions to the Inquiry recommended that the Victorian Government develop educational programs for secondary school students that are centred on gender-neutral career information, financial literacy, the prevention of workplace and online sexual harassment, and healthy masculinities as a way of ensuring young women and men have the knowledge and skills to support early economic security.<sup>29 30 31 32</sup> The Inquiry finds this to be an important area for future policy reform. Secondary school educational programs covering these topics could be implemented through a model like the existing Respectful Relationships program. These programs require support to design targeted educational materials and build capacity for educators. The programs should all be designed in consultation with relevant industry partners, including peak bodies such as the National Association of Women in Operations and expert organisations to ensure they are evidence-based and consider the experiences and needs of diverse cohorts of students.

28 Deloitte Access Economics, <u>Seizing the opportunity: Making the most of the skills and experience of migrants and refugees – a</u> research report for <u>Multicultural Affairs Queensland</u>, 2018, accessed 1 December 2021.

- 29 The gender-neutral career information program should include gender-neutral information on career and training pathways to support women's uptake of appropriate courses and pathways to lead to employment in high-growth and high-income jobs. This should also include the establishment of formal industry connections and include representatives from STEMM, construction, infrastructure and emerging technology to present to prospective students.
- 30 Research indicates that men's financial literacy is ahead of women's when entering the workforce. Given that Victorians can start working as early as fifteen years old, providing women with financial literacy skills and understanding of budgeting, superannuation, investments and economic abuse will improve women's capacity to become economically independent and have wealth at retirement (refer to Chapter 5.4: *Supporting women experiencing family violence* and Chapter 5.3: *Improving women's economic security at retirement* for more information on economic abuse and superannuation).
- 31 Educational programs that are aimed at preventing online and workplace sexual harassment for all genders as well as healthy masculinities are crucial to embedding behaviours that support safe and respectful workplaces and communities from a young age.
- 32 Stakeholders include: Education Services Australia, Financy, Good Shepherd, Lendlease, Multiplex, SDA Victoria, Victorian Chamber of Commerce and Industry, WIRE and Women's Health in the North. Several reports also support this recommendation, including the Australian Human Rights Commission *Respect@Work* report and reports by the Champions of Change Coalition.

# The pipeline of women into non-traditional sectors can be accelerated through incentives and job-matching

The Inquiry commends the Victorian Government's existing commitment to increasing women's participation in non-traditional fields through strategies including the Women in Construction Strategy, the Apprenticeships Innovation Fund for Women,<sup>33</sup> the Women in Transport Program, and Science, Technology, Engineering and Maths (STEM) education initiatives. In research commissioned for the Inquiry, Equity Economics found:

'There is strong justification for government support for women to take up education and training opportunities, including apprenticeships, in the male-concentrated fields related to construction, engineering and trades, given that these are the jobs which largely benefit directly from government decisions to fund capital infrastructure projects.'

The workforce pipeline for emerging industries requires further investment. The National Skills Commissioner noted that 131,000 new jobs will be



33 The Hon. Gayle Tierney (Minister for Training and Skills, Minister for Higher Education), <u>Building Rewarding Trades Careers for</u> <u>Women</u> [media release], Victorian Government, 2021, accessed 28 October 2021. required in professional, scientific, and technical services over the next five years.<sup>34</sup> Women are severely under-represented in these key emerging sectors.<sup>35</sup> In 2018, women only accounted for 21 per cent of all Science, Technology, Engineering, Medicine and Mathematics (STEMM) enrolments in Australia and in 2019, women made up 29 per cent of employees in the ICT industries.<sup>36 37</sup> Targeted strategy and investment is needed to encourage women to enrol in these sectors and incentivise businesses to attract, retain and invest in women employees. Removing financial barriers to vocational education and training is an effective way to encourage women to upskill and transition into emerging sectors. The Inquiry recommends that the Victorian Government fund free courses and scholarship incentives in fields including STEMM, web design and development, cyber security, logistics, trades and business administration (refer to Recommendation 18a). The Inquiry notes that the current Women in Trades Strategy is a good example of how to address structural inequalities in the VET system.

# CASE STUDY

# Example of a program supporting re-skilling into the digital sector, the Digital Jobs program

The Victorian Governments' Digital Jobs program aims to build the digital workforce by funding training, providing career support and supporting industry experience for mid-career Victorians who want to transition into digital careers.

Over the next three years, the programs will support 5,000 Victorians, with a minimum of 50 per cent of candidates to be women, to complete a six-month program that includes 12 weeks of training backed by industry and then a minimum of 12 weeks in a paid digital job with Victorian businesses.<sup>38</sup>

# Tailored employment programs must target specific employment barriers and improve job outcomes for women

Several stakeholders raised the need for targeted training, re-skilling opportunities and employment programs tailored to the needs of women from diverse backgrounds and social groups.<sup>39</sup>

In their submission to the Inquiry, Gender Equity Victoria recommended that the Victorian Government expand and provide longer-term support for employment programs as well as ensure they focus on the intersectional needs of different cohorts, including migrant and refugee women, women exiting prison and women who have experienced family violence. The Council of Single Mothers and their Children told the Inquiry of the need for wrap-around employment support for single mothers.

<sup>34</sup> National Skills Commission, <u>The shape of Australia's post COVID-19 workforce</u>, Australian Government National Skills Commission, Australian Government, 2021, accessed 10 October 2021.

<sup>35</sup> A M Dockery and S Bawa, <u>Labour Market Implications of Promoting Women's Participation in STEM in Australia</u>, Australian Journal of Labour Economics, 2018, 21(2), accessed 28 September 2021.

<sup>36</sup> Department of Industry, Science, Energy and Resources, <u>Advancing Women in STEM strategy: 2020 Action Plan</u>, Australian Government, 2020, accessed 28 September 2021.

<sup>37</sup> Deloitte Access Economics, *Australia's digital pulse 2019: booming today, but how can we sustain digital workforce growth?*, 2019, accessed 19 October 2021.

<sup>38</sup> Department of Jobs, Precincts and Regions, <u>Digital Jobs: Building Victoria's digital workforce</u>, Victorian Government, 2021, accessed on 10 October 2021.

<sup>39</sup> Stakeholders include: AMES Australia, Australian's Investing In Women, Brotherhood of St Laurence, Business Council of Australia, Council of Single Mothers and their Children, Ethnic Communities' Council of Victoria, Future Work Lab, Gender Equity Victoria, Good Shepherd, Associate Professor Irma Mooi-Reci, Dr Angela Jackson, Multicultural Centre for Women's Health, Dr Leonora Risse, the Salvation Army, SisterWorks, Victorian Multicultural Commission, and Victorian Council of Social Services.

In research commissioned by the Inquiry, Equity Economics emphasised the need for targeted approaches to removing barriers to migrant women's workforce participation:

'Given the scale of the opportunity that exists to drive greater economic participation by migrant women, consideration should be given to recommending further work, that would include qualitative research and co-design with migrant communities, to ensure programmes and policies are removing all the barriers to participation. Specifically, the barriers created by temporary work visas should be considered and the need for broader reforms to settlement services to ensure they are meeting the specific needs of migrant women.'

As well as increasing the economic security of individual women, effective employment and training programs can be a source of economic growth through increased labour force participation.

The Inquiry recommends that the Victorian Government invest in targeted employment programs for diverse cohorts of women (Recommendation 18b). This could include investing in:

- pathways to well-paid jobs including digital jobs
- connecting carers and single parents to jobs with adequate flexibility and predictability
- co-designed programs with migrant and multicultural women to identify and target all barriers to employment
- encouraging employers to recognise the transferability of skill and workforce experience across different industries and occupations.

While programs supporting women from diverse backgrounds and social groups into the workforce are important, the Inquiry notes that employment programs only address some of the barriers to workforce participation. Systemic change is needed to drive lasting improvements in women's workforce participation, including efforts to remove bias and discrimination in recruitment processes (refer to Chapter 3.2: *Increasing women's leadership, promotion, and influence*), ensure adequate and appropriate access to care services, and make available stable jobs that offer flexibility.

By improving job outcomes for diverse cohorts of women, implementing system-wide reforms in VET and accelerating women's participation in non-traditional courses, the Victorian Government will improve women's access to employment in emerging sectors with high-earning potential.

## **()** Recommendation 18:

The Inquiry recommends that the Victorian Government:

Increase the number of women working in non-traditional sectors through programs such as:

- a. free courses and scholarship incentives in fields including STEMM, technology, manufacturing and building/ construction (similar to the Women in Trades initiatives)
- b. tailored pre-employment support programs for women from diverse communities and social groups that support their transition into well-matched jobs.

# More can be done to support industry transitions for women

In parallel to increasing education, training opportunities and pre-employment programs, the Inquiry finds that improved job matching and acknowledgment of prior skills is crucial for women's representation in non-traditional sectors. Dr Leonora Risse's submission to the Inquiry stated that:

'There is also evidence that women, on average, are more likely than men to possess the personal traits that are conducive to higher workplace performance, such as conscientiousness. The impediment is that women's skills and attributes are unduly dismissed, valued less than men, or considered obsolete if women do have a career interruption.'

To support transitions into non-traditional sectors, processes for the recognition of prior learning, prior skills and qualifications need to be investigated and improved.

## **Q** Finding 17:

The Victorian Government can improve job-matching of women in non-traditional sectors following completion of study or training, and develop options for valuing and accrediting prior skills and qualifications when an individual is transitioning to a new sector.

# Incentives to increase women's enrolment in non-traditional courses must be combined with efforts to increase workplace safety for women

Safety in the workplace is a key theme throughout this report and is a key indicator of women's retention in non-traditional workplaces. The Inquiry recognises that investments in skills and training alone will not increase economic security for women. Efforts to increase women's enrolment in non-traditional courses must be complemented by initiatives that dismantle the harmful workplace cultures that limit women's participation in some of these industries.<sup>40</sup>

Meaningful and consistent work is required to ensure worksites and workplaces are safe environments for all workers. This includes efforts to increase retention for women in the workplace and support women into leadership positions (refer to Chapter 3.2: Increasing women's leadership, promotion and influence). Similarly, work must be undertaken to ensure that men who decide to pursue careers in non-traditional sectors, such as the care and community sector, are not stigmatised. This is explored further in Chapter 3.1: Establishing safe, equal and respectful workplaces, Chapter 4.2: Re-balancing the representation of women in non-traditional sectors and Chapter 4.3: Recognising the real value of care and community work.

# 4.2

# Re-balancing the representation of women in non-traditional sectors

### • Recommendation 19:

Develop new industry strategies to attract, recruit and retain women in majority-men industries. These strategies should:

- a. set an ambitious long-term vision of at least 40 per cent women in both the workforce and leadership positions (a 40/40/20 model), alongside short-term stretch goals
- collaborate with key industry associations, unions and employers to ensure targets are achievable and broadly supported
- c. create inclusive, respectful workplace cultures, including by preventing and eliminating sexual harassment in workplaces
- provide funding for education and training pathways, such as free TAFE and supported apprenticeship placements, to increase the pipeline of workers (refer to Recommendation 18)
- e. use the Social Procurement Framework to incentivise progress as well as formally capture and monitor changes
- f. provide funding to key women-focused peak organisations to build the support network for women before organisations have critical mass and to support small businesses
- g. encourage a diverse workforce within the strategy
- encourage men to take parental leave and adopt flexible work arrangements
- mandate that gender-equitable facilities are available on-site at all worksites, including separate change rooms, proper PPE and equipment designed for all genders.

Once the industry strategies are developed, a pilot strategy should be trialled in the manufacturing sector, the supply chain/operations sector, the technology sector, the finance sector, or the energy sector. Following evaluation, the Inquiry recommends rolling-out similar strategies to other industries.

### **()** Recommendation 20:

Raise the employment targets in the Building Equality Policy (BEP) over time to improve gender equality in the construction industry. To support this, the Victorian Government should:

- a. create a long-term vision of at least 40 per cent women in the workforce (a 40/40/20 model) and seek buy-in from industry associations, employers and unions
- provide ongoing funding to support implementation of and compliance with the BEP
- c. develop a mechanism to gradually increase targets over time to achieve long-term vision by using incentives built into contracts
- **d.** strengthen penalties for non-compliance by suppliers
- e. fund programs to increase the talent pipeline, including free TAFE for construction skills and priority apprenticeships (refer to Recommendation 18)
- f. mandate that gender-equitable facilities are available on-site at all publicly-funded construction projects, including separate change rooms,

proper PPE, and equipment designed for operators of all genders

- g. request suppliers create an inclusive and respectful workplace culture, including by preventing and eliminating sexual harassment in workplaces
- fund support networks for women to assist the construction sector in the transition to gender equality
- pilot a small project with more ambitious targets, including 50 per cent women on-site and 50 per cent majority-women enterprises as sub-contractors
- j. attract and retain more women workers by piloting family-friendly hours on public construction projects. Support the pilot of a five-day working week on public construction projects and roll-out this model to more projects subject to the pilot's evaluation and success.

### **()** Recommendation 21:

Amend the Social Procurement Framework to support better outcomes for women. These amendments should:

- a. mandate that all government purchasers apply the women's equality objective
- establish an effective governance, oversight and accountability mechanism for the women's equality objective with reporting on progress
- c. provide implementation support to suppliers and buyers through detailed guidance material, education and training
- introduce industry-specific targets for suppliers linked to the industry targets, described in Recommendation 19
- e. establish a framework that allows suppliers to provide their gender equality data to one central point in government while still being able to supply across different departments
- f. increase requirements for contracts over \$3 million, in line with the *Gender*

*Equality Act 2020* requirements. For example, as part of their tender, suppliers must report data on gender composition in supplier boards, maintain flexible work policies, promote the uptake of parental leave by men as well as meet targets for women in leadership

- g. impose greater requirements for contracts over \$20 million, in line with the *Gender Equality Act 2020* requirements. For example, suppliers must provide a Gender Equality Action Plan based on a comprehensive workplace audit
- incorporate targets for government purchases from women-owned and controlled small businesses.

#### O Recommendation 22:

Adopt new or strengthen existing genderequitable policies for Victorian Government engagements with professional services organisations. Policies should:

- a. increase the Victorian Government Legal Services Panel's Equitable Briefing Policy target to 40 per cent for briefing women barristers
- b. introduce a Gender-Equitable Purchasing Policy, similar to the current legal services arrangement, to apply across other professional services organisations, such as those in consulting, finance, accounting, IT, media and communications.

# Finding 18:

The Victorian Government can work with certification organisations to establish a database of women-owned and controlled businesses that allows Victoria to incorporate targets for state purchases from these businesses into the Social Procurement Framework. 'The key barrier to the retention of women in the construction industry is its prevailing masculine workplace culture, which fails to provide appropriate support for women and offers them limited career pathways.'

**RMIT University**<sup>41</sup>

# 1. Introduction

Women have historically been under-represented in many traditionally 'blokey' industries due to longstanding structural barriers such as gender discrimination, sexism and sexual harassment, inflexible working arrangements, and a lack of access to paid parental leave.

A key theme from this Inquiry's consultations was that workplaces with low levels of women are unlikely to build the critical mass needed to drive cultural change across these areas. These barriers can perpetuate harmful gender norms and attitudes that detrimentally impact all genders, but particularly impact women's economic security.

# 2. Key issues

# There is a significant gender pay gap in majority-men industries

Several industries in Victoria, such as construction, mining and manufacturing, have a high representation of men (referred to in this report as 'majority-men' industries). Together, these industries contribute to nearly one-third of Victoria's economic activity and therefore hold significant economic potential for women.<sup>42</sup>

<sup>41</sup> School of Property, Construction and Project Management, <u>Women in Construction: Exploring the Barriers and Supportive Enablers</u> of <u>Wellbeing in the Workplace</u>, RMIT University, 2021, accessed 3 November 2021.

<sup>42</sup> Australian Bureau of Statistics, 'Table 3', *Australian National Accounts: State Accounts*, 2020, Author calculations, accessed 3 November 2021.

#### **Table 3: Victorian majority-men industries**

Industry		Women employees (%)
	Construction	12.7
	Transport, Postal and Warehousing	19.6
di d	Electricity, Gas, Water and Waste Services	29.2
N'	Mining	30.1
<b>TØ</b> T 	Manufacturing	31.8
	Wholesale Trade	36.0
	Agriculture, Forestry and Fishing	38.0

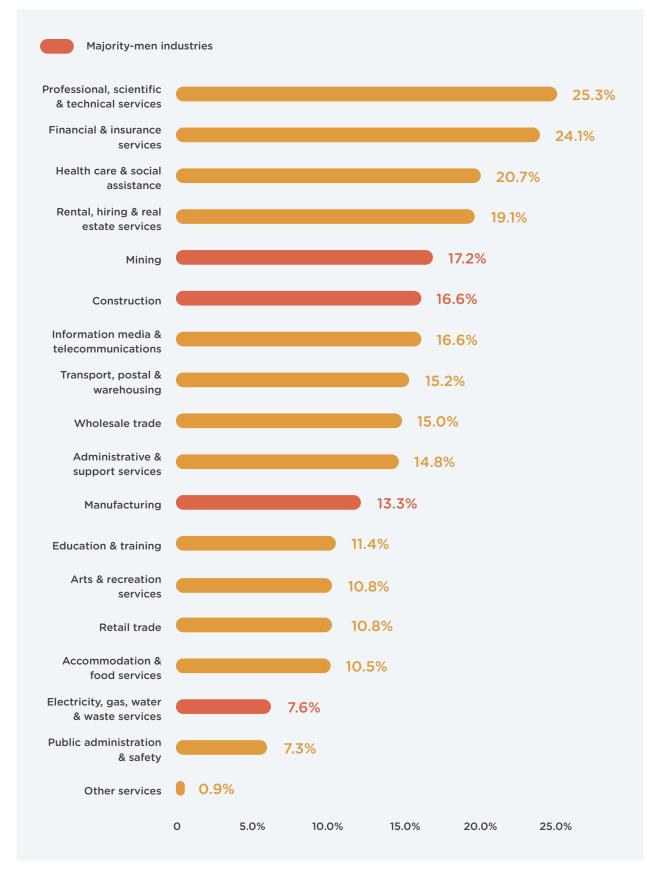
Source: Australian Bureau of Statistics, Labour Force, Australia, Detailed, Table EQ06, September 2021.

Note: This inquiry has defined several industries with low representation of women in the workforce

- such as construction - as 'majority-men' as set out in this table. Data are smoothed using a four-quarter average.

Many majority-men industries have a large gender pay gap – particularly the mining and construction industries (Chart 12). The gender pay gap in mining and construction is not as large as in some other industries that have a more even workforce gender composition, such as the finance and insurance services industry. This shows that the gender pay gap is not only driven by women's participation in an industry. In some industries, the gender pay gap is also due to the role of performance bonuses and individual contract negotiations.

#### Chart 12: Gender pay gap by industry



Source: ABS, Average Weekly Earnings, May 2021 Note: Full-time Adult Weekly Ordinary Time Earnings, Australia

# Majority-men industries must improve their workplace cultures to retain women

There are many barriers that prevent women from thriving in majority-men industries. Industries that mostly employ men are unlikely to have women at the top levels of their organisations. The Australian Human Rights Commission has found that industries with mostly male management and executive leadership can be prone to sexual harassment and sex discrimination.<sup>43</sup>

The experience of women in construction illustrates some of the issues women commonly face in majority-men industries. Recent research conducted by RMIT revealed 'systemic issues at all levels of the construction ecosystem' and significant barriers to retention of women in construction, including problems in apprenticeship training, a hostile work environment and poor worker wellbeing (Table 4).<sup>44</sup>

RMIT's research also highlighted critical challenges experienced by women in on-site roles, including that women are outsiders, the impact of consequence-free behaviour and a culture of silence.

A similar issue can be found in other majority-men industries, such as the transport, postal and warehousing industry. In their submission to the Inquiry, the National Association of Women in Operations noted that barriers to getting more women into the operations sector include persistently 'blokey' workplace environments and behaviours, and increased risk of sexual harassment.

#### Table 4: Key themes from RMIT's study into the construction industry

Women are outsiders	Consequence-free behaviour	Culture of silence
<ul> <li>Culture of masculinity</li></ul>	<ul> <li>Masculine culture</li></ul>	<ul> <li>Lack of transparent</li></ul>
drives inappropriate	can be an enabler of	process for reporting
behaviour	inappropriate behaviour	inappropriate behaviour
<ul> <li>Career pathway</li></ul>	<ul> <li>Mistreatment of women</li></ul>	<ul> <li>Little to no consequences</li></ul>
challenges	apprentices	for co-workers who act
<ul> <li>Treated differently on-site</li></ul>	Lack of workplace	<ul> <li>inappropriately</li> <li>Fear of punishment for</li></ul>
due to gender <li>Barriers around family</li>	support for managing	reporting inappropriate
responsibilities	inappropriate behaviour	behaviour

Source: RMIT University, Women in Construction: Exploring the Barriers and Supportive Enablers of Wellbeing in the Workplace, 2021.

<sup>43</sup> Australian Human Rights Commission, <u>Gender segregation in the workplace and its impact on women's economic equality</u>, 2017, accessed 5 November 2021.

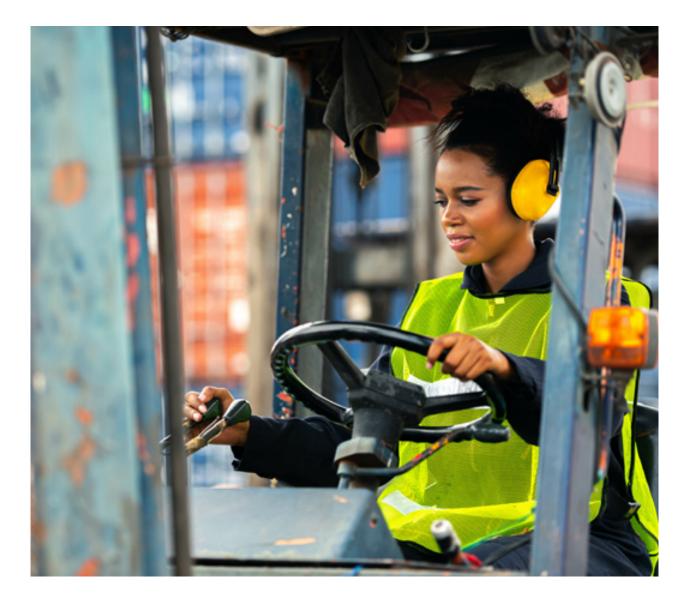
<sup>44</sup> School of Property, Construction and Project Management, <u>Women in Construction: Exploring the Barriers and Supportive Enablers</u> of <u>Wellbeing in the Workplace</u>, RMIT University, 2021, accessed 3 November 2021.

# 3. Findings and Recommendations

# Government can partner with industry to improve gender equality outcomes

The Inquiry recommends that government develop new industry strategies – using targets and working groups to support implementation – to drive workplace gender equality and address structural barriers to attracting, recruiting and retaining women in majority-men industries (Recommendation 19). Industry buy-in to these targets is critical and can be best achieved through developing and implementing strategies with peak industry bodies and unions and other employee representatives. The work can build off existing strategies Victoria has developed, including the Women in Construction Strategy and the Women in Transport program.

Based on scoping research, the Inquiry has identified several industries that could also benefit from an industry strategy (Table 5). These industries share common themes including difficulty retaining women due to cultural safety issues and a lack of women in leadership positions.



#### Table 5: Industries to consider for a pilot strategy

동 한 군 문문문 Manufacturing	<ul> <li>System-wide changes are required across the industry to attract and retain qualified women in manufacturing.</li> <li>More visible women STEMM leaders are needed to encourage students into manufacturing careers.</li> </ul>
Supply chain / operations sector	<ul> <li>Only one in five workers in the broader supply chain / operations sector are women.<sup>45</sup> There has been a recent increase in women executive leaders in the sector, but research shows that women often don't make it through the pipeline.<sup>46</sup></li> <li>Stakeholders such as the National Association of Women in Operations suggested that there are women in other industries with transferable skills that could be brought across to the operations sector.</li> </ul>
Technology sector	<ul> <li>The technology sector - a large driver of STEMM jobs - is a major growth sector for Victoria.</li> <li>Women are often unsupported in STEMM careers, which significantly impacts their retention - known as the 'leaky pipeline'.</li> <li>Women are more likely to leave science and engineering roles compared to men, which may be due to a lack of mentoring and networks, unreasonable work hours, or discrimination by managers and co-workers impacting on development and promotion.<sup>47</sup></li> </ul>
<u>s</u> Finance	<ul> <li>Finance has a significant gender pay gap driven by multiple factors – including the role of performance bonuses, individual negotiations, and a highly competitive and often hostile environment to women.</li> <li>Although finance has a more even mix of men and women in the workforce, women are significantly under-represented on boards and as senior leaders.<sup>48</sup></li> </ul>
ार्ट्र प्रियम Energy sector	<ul> <li>The energy sector performs poorly in terms of women's workforce participation and has a very high rate of workplace sexual harassment.</li> <li>The water sector has made efforts to develop workplace gender equality through Gender Equality and Diversity Plans, family violence leave policies, the introduction of flexible working arrangements and the setting of targets and quotas to achieve gender equality in their organisations. This good-practice approach could be extended to other parts of the broader energy sector.</li> </ul>

45 Australian Bureau of Statistics, *Labour Force, Australia, Detailed*, September 2021, accessed 19 October 2021. Supply chain/ operations refers to the Transport, Postal and Warehousing industry division.

- 46 B Coles, Increase in women moving into top supply chain jobs, MHD Supply Chain News, July 28 2020, accessed 11 November 2021.
- 47 J Hunt, Why do women leave science and engineering?, ILR Review, Vol 69, Issue 1, 2016, accessed 20 September 2021.
- 48 Workplace Gender Equality Agency (WGEA), WGEA Data Explorer, Australian Government, 2020, accessed 11 November 2021.

# **O** Recommendation 19:

The Inquiry recommends that the Victorian Government:

Develop new industry strategies to attract, recruit and retain women in majority-men industries. These strategies should:

- a. set an ambitious long-term vision of at least 40 per cent women in both the workforce and leadership positions (a 40/40/20 model), alongside short-term stretch goals
- collaborate with key industry associations, unions and employers to ensure targets are achievable and broadly supported
- c. create inclusive, respectful workplace cultures, including by preventing and eliminating sexual harassment in workplaces
- provide funding for education and training pathways, such as free TAFE and supported apprenticeship placements, to increase the pipeline of workers (refer to Recommendation 18)
- e. use the Social Procurement Framework to incentivise progress as well as formally capture and monitor changes
- f. provide funding to key women-focused peak organisations to build the support network for women before organisations have critical mass and to support small businesses
- g. encourage a diverse workforce within the strategy
- h. encourage men to take parental leave and adopt flexible work arrangements
- mandate that gender-equitable facilities are available on-site at all worksites, including separate change rooms, proper PPE and equipment designed for all genders.

Once the industry strategies are developed, a pilot strategy should be trialled in the manufacturing sector, the supply chain/ operations sector, the technology sector, the finance sector, or the energy sector. Following evaluation, the Inquiry recommends rolling out similar strategies to other industries.

# The recently announced Building Equality Policy is a good start for improving representation of women in construction

The Victorian Government, in partnership with employers, industry associations, and unions, announced the Building Equality Policy (BEP) in December 2021.<sup>49</sup> The BEP seeks to disrupt existing gender stereotypes and norms in the Victorian construction sector. The BEP will require suppliers on publicly funded construction projects valued at over \$20 million to meet project-specific gender equality targets, engage women as apprentices and trainees, and implement Gender Equality Action Plans.

Suppliers must also meet onsite gender equality targets, including that women are required to perform at least 3 per cent of trade labour hours, 7 per cent of non-trade labour hours, and 35 per cent of management/supervisory hours.

# The construction industry can be more ambitious in taking steps to improve gender equality through the BEP

The Inquiry acknowledges that the BEP provides worthwhile initial milestones for the construction industry, but it can and should be pushed further.

The Inquiry recommends that the Victorian Government push to raise the employment targets in the BEP over time, with more ambitious long-term goals, including a push to a 40/40/20 model, with at least 40 per cent representation of women (Recommendation 20).

Extra funding should be directed to ensure compliance is high. Stricter penalties should also be introduced over time to ensure that contractors are not used if they cannot meet targets. Crucially, education and training pathways and incentives, as mentioned earlier in Chapter 4.1: *Improving education and training*  *pathways for women*, need to be improved to ensure a steady pipeline of women into the construction workforce.

# Government can learn from experiences in the private sector to increase women's representation in majority-men industries

# CASE STUDY

# Looking to best practice frameworks in other sectors – BHP as a model for change

The mining industry has historically performed poorly across most gender equality indicators. Although it has made progress towards closing the gender pay gap, women comprise a very small proportion of the overall workforce.<sup>50</sup> Critically, workplace sexual harassment is endemic in the mining industry.

Despite these significant issues, some companies, like BHP, have acknowledged there is significant work to be done and have implemented strategies to improve workplace gender equality as well as business outcomes. In 2016, BHP announced its aspiration to achieve gender balance within its global employee workforce by the end of 2025.<sup>51</sup> BHP has already made significant progress towards this target, increasing its share of women from 17.0 per cent in 2016 to 29.8 per cent in 2021.<sup>52</sup> The company has also made over US\$7.7 million in pay adjustments to close the gender pay gap.<sup>53</sup> BHP remains confident that it can achieve at least 40 per cent representation by 2025, meeting the definition of gender balance used by entities such as the International Labour Organization and HESTA, which consider balance to be a minimum of 40 per cent women and 40 per cent men.<sup>54</sup>

BHP spoke to the Inquiry about BHP's experiences in driving this change within the company and noted that the strategy had been a success to date due to:

- significant ownership from the top-levels of the business. For instance, BHP has focused on linking KPIs and business objectives to gender equality targets
- recognising that teams with gender balance in their workforce reported better outcomes and higher levels of safety performance. BHP's most diverse sites outperformed other sites by about 15 per cent.<sup>55</sup> BHP also identified significantly better early hazard reporting for more gender balanced teams.

BHP's approach has also had flow-on effects to its supply chain. BHP has pushed suppliers to change the design of vehicles, equipment, machinery, and infrastructure to be more women-friendly and suitable for the entire workforce.<sup>56</sup>

The Victorian Government can look to the ambitious strategies of the private sector as a model to drive change.

<sup>50</sup> WGEA, <u>WGEA Data Explorer</u>, Australian Government, 2020, accessed 11 November 2021.

<sup>51</sup> BHP, Inclusion and Diversity, 2021, accessed 11 November 2021.

<sup>52</sup> BHP data provided to the Inquiry into economic equity for Victorian women (unpublished).

<sup>53</sup> BHP, Inclusion and Diversity Position Statement, 2020, accessed 11 November 2021.

<sup>54</sup> BHP, Inclusion and Diversity, 2021, accessed 11 November 2021.

<sup>55</sup> S Evans, *BHP wants Caterpillar, Komatsu to design more female friendly equipment*, Australian Financial Review, 2018, accessed 11 November 2021.

# Government can use the BEP to drive even more cultural change in the construction industry

The Inquiry recommends that the Victorian Government use the BEP to make governmentfunded construction projects more women-friendly. Some ways of doing this include requesting that suppliers actively create an inclusive, respectful workplace culture, including by preventing and eliminating sexual harassment in workplaces; and mandating that gender-equitable facilities, including separate change rooms, proper personal protective equipment (PPE) and equipment designed for women operators, are on-site at all publicly funded construction projects (Recommendation 20).

# A five-day work week on government-funded construction projects would be more family-friendly and support women's increased representation in the workforce

The Inquiry recommends that the Victorian Government pilot a five-day work week on construction-sites. A five-day working week is more family-friendly, so this change would help address some of the cultural issues prevalent in the construction industry and may help attract and retain women in the construction workforce. Reducing hours on major projects may also have productivity benefits. A recent study by BIS Oxford Economics noted that it is 'well documented that the productivity of a construction worker reduces the longer they work extended hours' (Recommendation 20j).<sup>57</sup>

The Inquiry acknowledges that the Construction Industry Culture Taskforce, which the Victorian Government is part of, has already pushed for a five-day work week in its draft Culture Standard.<sup>58</sup> The Inquiry supports this initiative and encourages Victoria to adopt a pilot program.

# CASE STUDY

## ACCIONA pilot program

ACCIONA, an infrastructure firm, recently trialled a construction project with 50 per cent women on-site.

The project, which was for a girl's school in Melbourne, was completed ahead of schedule and ahead of budget.<sup>59</sup> Professor Paula Gerber from Monash University noted that the success of the project was 'not coincidental', and that success can occur 'when you have so many women on-site, because the amount of negative conflict reduces'.<sup>60</sup>

Research shows that 'levels of conflict in the Australian construction industry could be reduced by increased women's participation and feminising communicative and behavioural responses to conflict.'<sup>61</sup>

# **()** Recommendation 20:

The Inquiry recommends that the Victorian Government:

Raise the employment targets in the Building Equality Policy (BEP) over time to improve gender equality in the construction industry. To support this, the Victorian Government should:

- a. create a long-term vision of at least 40 per cent women in the workforce (a 40/40/20 model) and seek buy in from industry associations, employers and unions
- provide ongoing funding to support implementation of and compliance with the BEP

<sup>57</sup> D Crook and A Tessler, *The Cost of Doing Nothing Report*, BIS Oxford Economics, 2021, accessed 11 November 2021.

<sup>58</sup> Construction Industry Culture Taskforce, <u>A Culture Standard for the Construction Industry: Consultation Paper</u>, 2021, accessed 11 November 2021.

<sup>59</sup> N Baker and P Barclay, <u>Smash down the concrete walls': How do we abolish gender bias in the Australian construction industry?</u>, ABC, 2021, accessed 22 November 2021.

<sup>60</sup> Ibid.

<sup>61</sup> M Loosemore and N Galea <u>Genderlect and conflict in the Australian construction industry</u>, Construction Management and Economics, 2008, 26(2), 125-135, accessed 22 November 2021.

- c. develop a mechanism to gradually increase targets over time to achieve long-term vision by using incentives built into contracts
- d. strengthen penalties for non-compliance by suppliers
- e. fund programs to increase the talent pipeline, including free TAFE for construction skills and priority apprenticeships (refer to Recommendation 18)
- f. mandate that gender-equitable facilities are available on-site at all publicly-funded construction projects, including separate change rooms, proper PPE, and equipment designed for operators of all genders
- g. request suppliers create an inclusive and respectful workplace culture, including by preventing and eliminating sexual harassment in workplaces
- fund support networks for women to assist the construction sector in the transition to gender equality
- pilot a small project with more ambitious targets, including 50 per cent women on-site and 50 per cent majority-women enterprises as sub-contractors
- j. attract and retain more women workers by piloting family-friendly hours on public construction projects. Support the pilot of a five-day working week on public construction projects and roll-out this model to more projects subject to the pilot's evaluation and success.

# Victoria's Social Procurement Framework is a step in the right direction

Procurement is increasingly being used by governments and the private sector to achieve gender equality.<sup>62</sup> Evidence suggests that gender-ethical procurement outcomes, such as increased supplier diversity and greater engagement of women suppliers, can deliver clear benefits for both business and the community.

Research by US-firm Hackett Group found that organisations with supplier diversity programs (i.e. social procurement) reduced their buying costs by 20 per cent compared to organisations that did not have a similar program.<sup>63</sup> This could be because suppliers owned by women for example, may price their products and services better than larger competitors or operate more efficiently.<sup>64</sup>

Victoria has already taken significant steps towards using its purchasing power for social change. In 2018, Victoria introduced the Social Procurement Framework (SPF), which aims to 'leverage maximum value from the Victorian Government's significant buying power'.<sup>65</sup>

The SPF contains one objective related to women - the 'women's equality and safety' objective. This objective aims to see Victorian Government suppliers introduce family violence leave and improve internal gender equality.<sup>66</sup>

<sup>62</sup> Chatham House, the Royal Institute of International Affairs, <u>Gender-smart Procurement: Policies for Driving Change</u>', December 2017, accessed 11 November 2021.

<sup>63</sup> H Solomon-Orlick, *The Dividends of supplier diversity*, VXI, 2019, accessed 11 November 2021.

<sup>64</sup> S D Jones, Benefits of Supplier Diversity May Go Beyond 'Social Good', The Wall Street Journal, 2006, accessed 11 November 2021.

<sup>65</sup> Victorian Government, Victoria's Social Procurement Framework, 2018, accessed 11 November 2021.

# The Social Procurement Framework can be improved to place greater focus on gender equality and drive meaningful change

A key theme that emerged from the Inquiry's stakeholder consultations was that the SPF is difficult to navigate for business. Many stakeholders voiced the concern that the SPF is applied inconsistently across government departments.<sup>67</sup> The Inquiry notes this can make procurement costlier for business and the SPF less effective at achieving its stated social aims. These stakeholders also noted that in their current form, the thresholds for the women's equality and safety objective are ineffective and lack the ability to influence change in suppliers.

The Inquiry recognises that procurement can drive meaningful change, but to do so the SPF must be strengthened. Government can and should be more prescriptive when setting gender equality standards for suppliers it does business with.

In line with this finding, the Inquiry recommends that the Victorian Government make several changes to the SPF, including mandating the women's equality objective for all government purchasers, improving governance and oversight, aligning objectives with the *Gender Equality Act* 2020, improving data collection, and providing further support to suppliers to navigate the procurement system. Appropriate resourcing will be required to implement these changes effectively (Recommendation 21).

Changes to the SPF will help drive cultural change among private sector suppliers. For instance, government should, through procurement, collect data about gender composition of boards and consultancy teams and make decisions about which consultancies to engage based on the data they provide. If government is steadfast in enforcing these standards, and companies realise that they need to improve their representation of women to do business with government, this can drive significant positive social change in the private sector.

# **()** Recommendation 21:

The Inquiry recommends that the Victorian Government:

Amend the Social Procurement Framework to support better outcomes for women. These amendments should:

- a. mandate that all government purchasers apply the women's equality objective
- establish an effective governance, oversight and accountability mechanism for the women's equality objective with reporting on progress
- c. provide implementation support to suppliers and buyers through detailed guidance material, education and training
- **d.** introduce industry-specific targets for suppliers linked to the industry targets, described in Recommendation 19
- e. establish a framework that allows suppliers to provide their gender equality data to one central point in government while still being able to supply across different departments
- f. increase requirements for contracts over \$3 million, in line with the *Gender Equality Act 2020* requirements. For example, as part of their tender, suppliers must report data on gender composition in supplier boards, maintain flexible work policies, promote the uptake of parental leave by men as well as meet targets for women in leadership
- g. impose greater requirements for contracts over \$20 million, in line with the *Gender Equality Act 2020* requirements. For example, suppliers must provide a Gender Equality Action Plan based on a comprehensive workplace audit
- incorporate targets for government purchases from women-owned and controlled small businesses.

<sup>67</sup> Stakeholders include: Australian Services Union, BHP, Champions of Change Coalition, Gender Equality Advisory Committee, Gender Equity Victoria, Good Shepherd, Lendlease, Master Builders Victoria, Multiplex, The Salvation Army, Victorian Council of Social Services, Victorian Chamber of Commerce and Industry, and Women Onside.

# The Victorian Government's Equitable Briefing Policy for briefing barristers is a great initiative, but targets can be raised

Despite women entering the legal profession in greater numbers than men, certain occupations and industries within the legal sector have disproportionate representation by men, particularly in senior positions.<sup>68</sup> Women at the bar often face conscious and unconscious bias, such as when women barristers are denied briefs because clients preferred counsel who were men.<sup>69</sup>

Victoria has already taken some steps to address this issue. The Victorian Government Legal Services Panel (the Panel) is a whole-of-government procurement contract that commenced in 2002. Using the Panel is mandatory for many statutory authorities and government agencies.<sup>70</sup> The Panel has adopted the Law Council of Australia's Equitable Briefing Policy, requiring that private law firms on the Panel report regularly on their briefing of women barristers. In-house legal units in government departments and agencies using the Panel are also required to record their briefs to barristers by gender.

Formal targets for briefing women barristers under the current Panel arrangements were introduced in October 2018 and are tied to the proportion of women at the bar, which currently sits at just over 30 per cent. Stakeholder engagement by the Inquiry within the Victorian Government suggests that the policy has made a positive impact, as there has been a sustained increase in the proportion of briefs and, in particular, brief fees provided to women barristers following implementation of this target.<sup>71</sup>

The Inquiry recommends that the Victorian Government raise that target to 40 per cent, which will encourage greater adoption of women barristers by private law firms that seek to do business in Victoria (Recommendation 22a).

# The Equitable Briefing Policy should be expanded to other professional services engagements

The Inquiry recommends that the Equitable Briefing Policy used for barristers is adopted for other professional engagements with the private sector, such as those in consulting, finance, accounting, IT, media and communications (Recommendation 22b).

The approach could focus on the equal use of gender-balanced teams, men and women partners, senior leaders or principal consultants within these engagements.

### **()** Recommendation 22:

The Inquiry recommends that the Victorian Government:

Adopt new or strengthen existing genderequitable policies for Victorian Government engagements with professional services organisations. Policies should:

- a. increase the Victorian Government Legal Services Panel's Equitable Briefing Policy target to 40 per cent for briefing women barristers
- b. introduce a Gender-Equitable Purchasing Policy, similar to the current legal services arrangement, to apply across other professional services organisations, such as those in consulting, finance, accounting, IT, media and communications.

69 Ibid.

<sup>68</sup> Law Council of Australia, Equitable Briefing Policy - Annual Report, 2018-2019, 2020, accessed 11 November 2021.

<sup>70</sup> The Panel's government clients currently comprise all departments and over 60 statutory authorities and government agencies. This number is set to grow to over 150 entities following a 1 July 2021 update to the Victorian Government Purchasing Board policy relating to the scope of agencies for which use of SPC arrangements is mandatory.

<sup>71</sup> Department of Justice and Community Safety Victoria, stakeholder engagement with Inquiry Secretariat.

In the medium-term, women-owned and controlled businesses could be encouraged to do more business with government

The Inquiry notes that the lack of data and official business certification makes it impossible to include specific provisions and targets for procuring from women-owned and controlled businesses in the SPF.

A certification process and database for women-owned and controlled businesses is an area of future work to improve outcomes for women. A certification process is important as it provides assurance that in a given business women control most aspects of decision-making, strategy and authorisation.<sup>72</sup> Many prominent organisations already certify women-owned businesses across the world, including WEConnect and Femeconomy, which could be used as an example.<sup>73</sup> This database could also be used to support government efforts to ensure a gender-responsive COVID-19 pandemic recovery strategy (Recommendation 1).

# **③** Finding 18:

The Victorian Government can work with certification organisations to establish a database of women-owned and controlled businesses that allows Victoria to incorporate targets for state purchases from these businesses into the Social Procurement Framework.

<sup>72</sup> EY, Advancing women-owned businesses in the COVID-19 recovery, 2021, accessed 11 November 2021.

<sup>73</sup> Note also that the US Government has a certification program for women small business owners.

# 4.3

# Recognising the real value of care and community work

### • Recommendation 23:

Develop a Victorian Care Economy Strategy to recognise care and community work as critical human infrastructure and assign it fair economic value. The strategy should:

- a. define the fair economic value of care and community work
- reflect the fair economic value of care and community work in wages and conditions where the State is the employer
- c. support and advocate for the cases of non-government workers in the care and community sector to the Fair Work Commission, to ensure the value of their work is reflected in wages
- d. encourage the public to revalue care and community work
- e. take a strategic approach to workforce supply across the sector
- f. meet system demand by increasing investment in human infrastructure.

on the condition that providers offer the relevant employees ongoing employment

- applying a consistent and adequate indexation formula to service providers that covers the true cost and increasing complexity of delivering services
- expanding the portable long service leave scheme to include more entitlements and support more majority-women care and community services.

#### O Recommendation 25:

Advocate to the Australian Government for a review and evaluation of the Fair Work system that develops processes to address the undervaluation of work in majoritywomen sectors.

### **O** Recommendation 24:

Improve work and financial security in the care and community sector where the Government is the primary funder by:

- reducing reliance on short-term funding of essential services over the medium- to long-term
- developing service agreement structures that include a redundancy payment guarantee for employers

# **Q** Finding 19:

All VPS departments should be required to apply gender-ethical funding guidelines for government grants and funding recipients. 'Care work is at the centre of our communities and our family life, and a cornerstone of our economy. It's the work that is done before any other work can be done. Care jobs are on track for being one of the fastest growing jobs in the next decade. While we can now access many services online, care and cleaning jobs can't be outsourced or automated. We have an opportunity to make care jobs good jobs, with better pay, benefits and workplace protections – allowing care workers to do their best work and provide the highest quality care.'

National Domestic Workers Alliance (US)<sup>74</sup>

# 1. Introduction

The care and community sector is vital to the functioning of our society and economy as well as our health and wellbeing.<sup>75</sup> Victoria's care and community sector is strong, vibrant, and mature with a proud history of supporting people facing poverty and disadvantage.

Due to gender norms, jobs in the care and community sector, which are often poorly paid and insecure, are overwhelmingly performed by women.

The COVID-19 pandemic shone a light on the essential nature of this work. Skyrocketing pressure and demand put stress on a system already experiencing exceptionally high demand. Submissions to the Inquiry warned of the potential for an imminent workforce exodus, which risks affecting standards of care and employee safety and wellbeing. With an ageing population and government prioritisation of family violence and disability care, the care and community sector is on track to become one of the fastest growing industries in the next decade. As one of the biggest and fastest growing employers and workforces in the state, it is also a major contributor to the Victorian economy.

The Inquiry strongly recommends that government fairly compensates care and community workers based on the contribution that their work makes to Victoria. Fairly valuing these workers is the best way in which government can support them to provide the highest quality of care. This will also increase economic equity for the majority-women workforce as well as promote greater participation in the industry by men.

75 Care and community work/sector is used as shorthand by the Inquiry to include the broad range of health and social services where women make up the majority of the workforce including early childhood education and care (long-day care and kindergarten), disability support, aged care, hospitals, mental health, community health and other social and community services such as counselling, family support and youth work.

<sup>74</sup> National Domestic Workers Alliance, About Domestic Work, accessed 23 November 2021.

# 2. Key issues

# Jobs in majority-women industries are lower paid and are less secure than similarly skilled jobs in majority-men industries

Two of the total 19 industries identified by the Australian Bureau of Statistics are majority-women.<sup>76</sup>



The health and care and social assistance industry has the highest representation of Victorian women – with women comprising 78 per cent of the workforce.



This is followed by the education and training industry, in which women comprise 68 per cent of the workforce.

Combined, women employed in these two industries represent over one-third (36 per cent or over 584,000) of all employed women in Victoria.<sup>77</sup> Both industries have higher than average rates of part-time jobs as well as higher rates of employees working multiple jobs, with women more likely to be over-represented in both categories.<sup>78</sup>

Despite having the highest representation of women, the health and care and community services industries have the third highest gender pay gap of all industries at 21 per cent.<sup>80</sup> This large gender pay gap indicates that despite making up the majority of the workforce, women are concentrated in lower-level positions and are working fewer hours compared with male peers. In their submission, the Victorian Council of Social Services (VCOSS) noted that 60 per cent of senior leadership positions are occupied by women, despite women making up almost 80 per cent of the workforce.

Many stakeholders also raised concerns about trends towards increasing casualisation across the care and community sector, particularly in disability support and aged care.<sup>81</sup> In their submission, Dr Fiona Macdonald highlighted the impact of the National Disability Insurance Scheme (NDIS) on women's economic security. Under the NDIS, disability support workers are increasingly directly employed by individuals and independently contracted rather than employed through an organisation. These informal employment arrangements leave workers vulnerable to high levels of job insecurity and can increase the risk of worker exploitation and discrimination. In its submission to the Inquiry, VCOSS noted that 70 per cent of the 46,000 casual employees in the Victorian care and community services sector are women, and that while some workers value the flexibility of casual work, for others it is a 'forced choice' because it is the only form of employment on offer to them.

VCOSS also highlighted the pay difference between industries:

'A community services sector worker earns, on average, \$876 per week. This is significantly lower than other industries, for example the construction sector, where a worker earns, on average, \$1466 per week.'<sup>82</sup>

77 Australian Bureau of Statistics (ABS), Labour Force, Australia, ABS website, September 2021, accessed 1 November 2021.

<sup>76</sup> Industries which have greater than 60 per cent of women in the workforce are defined as 'majority-women'.

<sup>78</sup> Health care and social assistance has 48 per cent part-time employment - 54 per cent of women work part-time compared to 29 per cent of men in the industry. Similarly, education and training has 40 per cent part-time employment - with 48 per cent of women part-time compared to 23 per cent of men. ABS, *Labour Force, Australia*, ABS website, September 2021, accessed 1 November 2021.

<sup>79</sup> R Batchelor, *Many jobs, little support: Multiple Jobholders and the COVID-19 recession*, The McKell Institute, 2020, accessed 2 November 2021.

<sup>80</sup> Workplace Gender Equality Agency (WGEA), <u>Australia's Gender Pay Gap Statistics</u>, Australian Government, 2021, accessed 1 November 2021.

<sup>81</sup> Stakeholders include: Australian Nursing and Midwifery Federation, Australian Services Union, Gender Equality Advisory Committee, Good Shepherd, Health and Community Services Union, McAuley Community Services for Women, National Foundation for Australian Women, Professor Elizabeth Hill, Dr Fiona Macdonald, Dr Leonora Risse, Safe Steps, Victorian Council of Social Services, and Victorian Trades Hall Council.

<sup>82</sup> This is supported by a 2017 Australian Parliamentary inquiry into gender segregation in the workforce which found that a woman working in a majority-women industry would, on average, earn almost \$40,000 (at total remuneration) less per year than the average full-time total remuneration of a man in a majority-men industry. Parliament of Australia, <u>Gender segregation in the</u> workplace and its impact on women's economic equality. Australian Government, June 2017, accessed 2 November 2021.

In addition, a 2017 federal parliamentary inquiry into gender segregation in the workforce found that majority-women industries pay the lowest proportion of superannuation and bonuses compared to other industries.<sup>83</sup>

# Care and community workers are often award-reliant, and worse off than those under enterprise agreements

Employment arrangements in the care and community sector are diverse. Employees work across not-for-profit, private and public sectors, which have a mix of funding sources. While public sector employees (such as public sector nurses and teachers) are likely to be covered by enterprise bargaining agreements, many care and community services employees in the not-for-profit or private sector are likely to be award-reliant.<sup>84</sup>

Award-reliant workers are more likely to be lowpaid than other workers. Research by the University of Melbourne found award-reliant women earn approximately 10 per cent less per hour than awardreliant men, a disadvantage that is not explained by differences in skills, abilities or work experience and education between men and women.<sup>85</sup>

# Government's reliance on short-term funding agreements contributes to job insecurity for the care and community workforce

In their submission to the Inquiry, VCOSS highlights that government funding accounts for over 52 per cent of community services organisations' incomes, and has a direct impact on wages, conditions, and the length of employment contracts.

Many stakeholders highlighted to the Inquiry that job insecurity and, in some instances,

compromised service quality, is driven by the Victorian Government's reliance on short-term funding agreements with the care and community sector.<sup>86</sup>

In their submission to the Inquiry, the Australian Services Union (ASU) shared the experience of ASU members who work in government-funded programs that have been running for 15 years but are funded on a year-by-year basis by the Victorian Government. In these programs, over 70 per cent of staff are on yearly contracts and are constantly worried about their future employment. This insecurity means they cannot get mortgages, plan holidays, or progress in their careers. ASU also noted that job insecurity in the sector limits workers' ability to bargain for a wage increase or raise workplace safety issues.

The Inquiry also heard about the impact of short-term contracting on service quality, with high rates of staff turn-over impacting continuity with clients and making it difficult to attract highly skilled workers into the sector.

# Low wages in the sector reflect the historical undervaluation of care

Women's over-representation in care and community work is partly driven by traditional gender stereotypes that depict men as primary breadwinners and women as caregivers. Similarly, the low pay associated with this work reflects gendered assumptions that 'caring' is an innate ability for women rather than a profession requiring learned skills.

The Inquiry is clear in its view that the remuneration associated with jobs in this sector is not commensurate with the value they create socially and economically, nor the risk or responsibility they hold. The COVID-19 pandemic highlighted how essential the care and community sector is to our society and the wellbeing of our most vulnerable.

83 Ibid.

<sup>84</sup> R Wilkins and F Zilio, *Prevalence and persistence of low-paid award-reliant employment*, Fair Work Commission, Research Report 1/2020, Australian Government, 2020, accessed 1 November 2021.

<sup>85</sup> B Broadway and R Wilkins, <u>Probing the Effects of the Australian System of Minimum Wages on the Gender Wage Gap</u>, Melbourne Institute Applied Economic and Social Research, Working Paper No. 31/17, University of Melbourne, 2017, accessed 2 November 2021.

<sup>86</sup> Stakeholders include: Australian Services Union, Good Shepherd, Health and Community Services Union, Professor Elizabeth Hill, Safe Steps, SisterWorks, Social Ventures Australia, Victorian Council of Social Services, Victorian Trades Hall Council, and Women with Disabilities Victoria.

# The undervaluation of care work contributes to workforce supply shortages

The National Skills Commission's modelling predicts that national employment growth to 2025 is expected to be dominated by:



health care and social assistance (up by 205,900 or 11.6 per cent) followed by

education and training (up by 85,000 or 7.9 per cent).

In contrast, jobs in mining, construction, manufacturing, and agriculture are expected to decline.<sup>87</sup>

Despite this, care and community sector organisations already struggle to recruit and retain skilled workers. Jenny Macklin's *Future Skills for Victoria* report identified that even before the COVID-19 pandemic, Victoria faced a shortage of 66,000 jobs in growing occupations such as care and community work.<sup>88</sup>

As outlined in Chapter 2.2: Improving access to *quality early childhood education and care, the* United Workers Union told the Inquiry that the early childhood education and care workforce (95 per cent of whom are women) feels overworked, underpaid, and undervalued, with many considering leaving the sector. A United Workers Union survey of early childhood education and care workers found that over a quarter of current educators reported they plan to leave the sector within the next twelve months, and of those educators who do plan to stay, almost half (46 per cent) think about leaving 'all of the time' or 'most of the time'.<sup>89</sup> The report highlights that this comes at a time when projections show that the sector needs 40,000

additional staff across Australia by 2023 to meet growing demand for early learning services.<sup>90</sup>

Similarly, the 2021 Aged Care Royal Commission found that in aged care – a workforce that is made up of 87 per cent women<sup>91</sup> – workloads are heavy and pay and conditions are poor.<sup>92</sup>

# The current industrial relations system and wage setting mechanism are inadequately equipped to address the undervaluation of care work

Award wages are almost always lower in jobs more commonly held by women. Analysis of federal awards found that the more men in an occupation or industry, the higher the wages of award-reliant employees for both men and women.<sup>93</sup>

Currently, workers or representatives bringing equal pay cases to the Fair Work Commission are required to compare women's wages with those of men in similar roles within that industry. However, this system does not adequately consider that majority-women industries have historically always been paid less than majority-men industries. The current process for applicants seeking an equal remuneration order under the Fair Work Act 2009 (the FW Act) is adversarial, time consuming, and costly. The success rate of equal pay cases has been extremely low - only one case has been successful before the Commission since 2013.94 This indicates that the current approach to identifying undervaluation is broken, making it a largely ineffective mechanism for improving pay equity for women working in all industries and occupations.

<sup>87</sup> National Skills Commission, *The shape of Australia's post COVID-19 workforce*, Australian Government National Skills Commission, Australian Government, 2021, accessed 10 October 2021.

<sup>88</sup> J Macklin, *Future Skills for Victoria: Driving collaboration and innovation in post secondary education and training*, Victorian Government, 2020, accessed 2 October 2021.

United Workers Union <u>Exhausted, Undervalued and Leaving: The crisis in Early Education</u>, 2021, accessed 11 November 2021.
 Ibid.

<sup>91</sup> Australian Institute of Health and Welfare, Aged care, Australian Government, 2021, accessed 2 November 2021.

<sup>92</sup> Royal Commission into Aged Care Quality and Safety, *Interim Report – Volume 1: Information gathered and some conclusions*, 2019, accessed 2 November 2021.

<sup>93</sup> B Broadway and R Wilkins, *Probing the Effects of the Australian System of Minimum Wages on the Gender Wage Gap*, Melbourne Institute Applied Economic and Social Research, Working Paper No. 31/17, University of Melbourne, 2017, accessed 2 November 2021.

<sup>94</sup> Parliament of Australia, *Gender segregation in the workplace and its impact on women's economic equality*, Australian Government, 2017, accessed 2 November 2021.

# 3. Findings and Recommendations

# Leadership from the Victorian Government is needed to revalue and assign fair wages to care and community work

The Inquiry recommends that the Victorian Government develops a Victorian Care Economy Strategy to drive the revaluation and realignment of wages for care and community work (Recommendation 23).

As part of this, the Inquiry recommends the Victorian Government invest in a comprehensive research project to develop models and measures of the real value of care and community work that considers the economic as well as social and cultural benefits created by this work, such as increased health and wellbeing of Victorians and the savings associated with preventative care.

The Inquiry recommends government then use this revaluation as evidence to inform wage determination and dispute-resolution processes for care and community workers. This could include using this evidence to advocate to the Australian Government and the Fair Work Commission, pushing for wages to be determined based on social and economic impact and supporting the sector to take cases to the Fair Work Commission for revaluation of relevant awards.

The Inquiry recommends the public is brought along in this revaluation through a broader social campaign about valuing care.

# A coordinated effort across government is needed to meet future growth in the care and community workforce

The Victorian Government has invested in many parts of the care and community sector workforce, including several workforce strategies.<sup>95</sup> However, the Government needs a more coordinated overarching strategy to meet the projected growth in the sector.

The Inquiry recommends that the Victorian Government develop a sector-wide care and community workforce strategy to meet current and future skills gaps and workforce demand as part of the broader Care Economy Strategy (Recommendation 23). This should draw on existing workforce plans and the Future Skills Review. Focus areas should include supporting the leadership capabilities of migrant and multicultural women, building the regional workforce, investigating opportunities to build the lived experience workforce, and considering setting targets for the representation of men in the sector.

The Inquiry also suggests the Victorian Government consider setting a target to close the gender pay gap in the sector.

95 Such as the Victorian Early Childhood Workforce Strategy; Keeping our sector strong: Victoria's workforce plan for the NDIS; 10-Year Community Services Industry Plan; Building from Strength: 10 year Industry Plan for Family Violence Prevention and Response; and the Mental Health Workforce Strategy.



# Encouraging men into care and community work will support the breakdown of harmful gender norms

As outlined in Chapter 2.1: *Best practice approach to supporting parents and carers*, shifting gender norms in the home requires men and boys to take up unpaid caring roles in their families and communities so women can participate in the paid workforce. Shifting occupational gender segregation also requires men and boys to be encouraged and incentivised to seek out paid jobs in the care and community services sector, and women to be supported to seek out roles in traditionally majority-men industries and occupations (refer to Chapter 4.2: *Re-balancing the representation of women in non-traditional sectors*). In their submission to the Inquiry, Dr Leonora Risse highlighted that to date, little attention has been paid to encouraging men into nontraditional roles when compared to initiatives encouraging women into non-traditional roles. The Victorian Government has an opportunity to do more in this area, to break down gender norms and meet future jobs demand in the care and community sector.

In their report commissioned by the Inquiry, Equity Economics encouraged the provision of reskilling opportunities for men into care and community services, to be complemented by initiatives that work to dismantle the gender stereotypes that prevail in these industries.

# ${f Q}$ deep dive

# Recognising the care involved in majority-men jobs to attract more women

Re-defining or re-imagining the notion of care, in a way that will be more conducive to breaking down stereotypes, also extends to illustrating how 'care' is already part of many of the rewarding roles that men take on, even if it is not explicitly thought of as care.

An example is the service of police officers, firefighters and defence force personnel. Even though dominant cultural norms describe these professions in terms associated with masculinity, such as bravery, heroism and strength, the services of these professions could also be expressed in terms of care and concern for the citizens in our community, and driven by emotions and values of altruism, benevolence and selflessness.

Highlighting the human and 'caring' qualities of these traditionally majority-men professions has recently been a successful mechanism for attracting more women into these professions but could be leveraged further to dismantle the notion that masculinity is detached from care.<sup>96</sup>

# Fostering the diversity of the care and community sector will improve economic security for women and outcomes for service users

Many stakeholders raised the importance of migrant women to the care and community sector workforce.<sup>97</sup> In their joint submission to the Inquiry, the Multicultural Centre for Women's Health and the Ethnic Communities' Council of Victoria noted that the care and community workforce is heavily reliant on migrant women, with an increasingly number of highly skilled temporary migrants joining the workforce.

Research by Christine Eastman, Sara Charlesworth and Elizabeth Hill found that migrant women make up a significant portion of frontline care and community workers and that despite having higher qualifications than their Australian-born colleagues, migrant women are concentrated in lower skilled care jobs.<sup>98</sup> In their submission to the Inquiry, VCOSS also highlighted concerns with regional workforce shortages for the sector and recommended a strategy to build the workforce in the regions.

In their submission to the Inquiry, the Victorian Multicultural Commission highlighted that the COVID-19 pandemic has shown the value that a diverse workforce brings to decision-making, policy response and service delivery.

The Inquiry recommends a focus on skill-recognition and leadership of the migrant and multicultural workforce and a focus on strengthening the regional workforce within the Care Economy Strategy.

<sup>96</sup> A Jackson and L Risse, Evidence-based steps towards economic equity for Victorian women: An analytical report to support the Victorian Inquiry, unpublished.

<sup>97</sup> Stakeholders include: Associate Professor Afreen Huq, Ethnic Communities Council of Victoria, Gender Equity Victoria. Multicultural Centre for Women's Health, Victorian Council of Social Service, and Victorian Multicultural Commission.

<sup>98</sup> These occupations are ranked as 'low-skilled' at Level 4 in the five-level Australian & New Zealand Standard Classification of Occupations (ANZSCO). The research found that 24.3 per cent of overseas-born care workers hold a bachelor degree compared to 8.4 per cent of Australian-born care workers.

<sup>99</sup> C Eastman, S Charlesworth and E Hill, Fact sheet 1: Migrant Workers in Frontline Care, UNSW, 2021, accessed 3 November 2021.

Increased investment in care and community work has a two-fold benefit for women's employment through job creation and enabling women with unpaid caring responsibilities to increase their workforce participation

The majority of stakeholders highlighted that investing in the provision of care services goes hand-in-hand with facilitating women's labour force participation given that the majority of unpaid care is carried out by women.<sup>100</sup> In their submission to the Inquiry, Gender Equity Victoria points out that:

Jobs in the care economy provide the scaffolding for all other economic activity. Without early childhood education and schooling, parents would be unable to undertake meaningful paid employment. Without health care, the community is at risk of illness and the economic impost of poor wellbeing and the need for costlier acute health care services.

High-quality, affordable and accessible care services are an economic investment that deliver long-term recurring benefits.

The Victorian economy is well-positioned to gain from an increase in government-funded early childhood education and care services. Over 120,000 Victorians with children under the age of five would like to work more hours.<sup>101</sup> Modelling commissioned by the Inquiry from Equity Economics and Victoria University found that if these parents were able to work an extra 10 hours a week – through greater access to childcare services – the number of hours supplied to the labour market would increase by one per cent. By 2030, GDP would be 0.84 per cent higher than it otherwise would have been, which is equivalent to an increase in Victoria's GDP per person of \$590 per year, or almost \$4 billion for the Victorian economy as a whole.<sup>102</sup>

Similarly, workers in the care and community sector are underpaid compared to other workers in similar occupations and there is a strong case for Victoria to adjust wages to reflects the true societal value of a worker's service.<sup>103</sup> Research from Equity Economics and Victoria University estimated that care and community service workers on average are paid at a rate of 25.7 per cent below occupations of equivalent skill level; 19.5 per cent when calculated at the professional occupation level and 37.9 per cent when calculated at the vocational occupation level.<sup>104</sup>

The research also modelled the economic impact of higher wages for care workers in Victoria and found increasing wages by 38 per cent could increase the labour supply of care workers in Victoria by up to 35 per cent. While the overall labour supply would increase, the direct economic output could fall by up to 0.4 per cent as a result of higher prices, driven by increased wages, and diversion of resources. However, this reflects an important recalibration, with care and community workers being remunerated more highly and commensurate to their worth. Despite a small decline in overall economic activity, this would constitute an improvement in wage equity for the women-concentrated care and community service workforce. Additionally, this does not consider the indirect economic benefits of higher wages, including the positive impacts of greater job security for care workers such as health benefits for workers and quality of care. To extract the benefits of higher wages in the care and community service sector, careful

<sup>100</sup> Stakeholders include: The Australian Services Union, Professor Marian Baird, Business and Professional Women, Business Council of Australia, Professor Andrea Carson, The Council of Single Mothers and their Children Chief Executive Women, Equal Workplaces Advisory Council, Ethnic' Communities Council Victoria, The Front Project, Future of Work Lab, Gender Equity Victoria, Good Shepherd, Health and Community Services Union, HESTA Superannuation, Minderoo Foundation Thrive by Five, Professor Elizabeth Hill, Dr Angela Jackson, KPMG, Merri Health, Life Patterns (University of Melbourne), Associate Professor Irma Mooi-Reci, Multicultural Centre for Women's Health, The National Association of Women in Operations, Dr Leonora Risse, the Salvation Army, Sex Discrimination Commissioner, United Workers Union, Victorian Council of Social Services, Victorian Multicultural Commission, the Victorian Trades Hall Council, Victorian Women's Lawyers, and WIRE.

<sup>101</sup> Associate Professor Janine Dixon, Dr Leonora Risse and Dr Angela Jackson, *Inquiry into Economic Equity for Victorian women – Modelling of Economic Benefits of Proposed Reforms*, Equity Economics and Victoria University, unpublished.

<sup>102</sup> Ibid. Calculations are in 2019 prices.

<sup>103</sup> Ibid.

<sup>104</sup> Ibid. Using ABS Census data, the average full-time weekly income was computed for selected care and community occupations, defined at 4-digit ANZSCO level and for full-time employees only.

macroeconomic management to curb the passthrough of higher wages into higher consimer prices paid by households could be considered.<sup>105</sup>

Increased investment is also needed to meet existing high demand on the sector and support and retain the workforce who have been under significant work pressure, particularly through the COVID-19 pandemic.

As part of the Care Economy Strategy (Recommendation 23), the Inquiry recommends the Victorian Government increase investment in the care and community sector to create jobs for women and help women with unpaid caring responsibilities participate in the workforce.

# **()** Recommendation 23:

The Inquiry recommends that the Victorian Government:

Develop a Victorian Care Economy Strategy to recognise care and community work as critical human infrastructure and assign it fair economic value. The strategy should:

- a. define the fair economic value of care and community work
- reflect the fair economic value of care and community work in wages and conditions where the State is the employer
- c. support and advocate for the cases of non-government workers in the care and community sector to the Fair Work Commission, to ensure the value of their work is reflected in wages
- d. encourage the public to revalue care and community work
- e. take a strategic approach to workforce supply across the sector
- f. meet system demand by increasing investment in human infrastructure.

# The Victorian Government can directly improve job security for care and community sector workers through funding arrangements

The Victorian Government plays an active role as a funder for the care and community sector. In their submission to the Inquiry, Good Shepherd suggested that funding should create secure, long-term positions, and allow time for services to engage with and understand communities and provide continuity of service.

Many stakeholders suggested that the Victorian Government improve job security for the care and community workforce.<sup>106</sup> The Productivity Commission's 2017 *Reforms to Human Services* report recommended that all Australian governments increase default lengths for family and community services contracts to seven years unless they are on a trial.<sup>107</sup> VCOSS recommended increases to the standard contract period in family and community services to at least five years, preferably seven, to create more secure work opportunities in the sector.

The Inquiry supports the Productivity Commissions' recommendation and recommends that the Victorian Government commit to relying less on short-term funding agreements over time. In the shorter-term, the Inquiry recommends the Victorian Government assess and improve current contracting arrangements in consultation with the sector to improve workforce security, including implementing a redundancy guarantee for employers to employ staff on an ongoing basis, and ensuring that a permanent, fair and transparent indexation formula is applied to care and community services (Recommendation 24a).

The Inquiry also recommends that the Victorian Government expand the portable long-service scheme to provide support to more care and community workers and expand the scheme to

<sup>105</sup> Ibid. The modelling increases wages by 61 per cent over two years for child carers, education aides, and personal carers and assistants. Under the scenario, employment would increase significantly, but economic output could fall as a result of higher prices and a diversion of resources.

<sup>106</sup> Stakeholders include: Australian Services Union, Equal Workplaces Advisory Council, Good Shepherd, Health and Community Services Union, McAuley Community Services for Women, Professor Elizabeth Hill, Safe Steps, the Salvation Army, Social Ventures Australia, Victorian Council of Social Service, and Victorian Trades Hall Council.

<sup>107</sup> Productivity Commission, <u>Introducing Competition and Informed User Choice into Human Services</u>: Reforms to Human Services, Australian Government, 2017, accessed 3 November 2021.

cover more entitlements. This could be another avenue to improve the work security of the sector (Recommendation 24b).

### **()** Recommendation 24:

The Inquiry recommends that the Victorian Government:

Improve work and financial security in the care and community sector where the Government is the primary funder by:

- reducing reliance on short-term funding of essential services over the medium- to long-term
- developing service agreement structures that include a redundancy payment guarantee for employers on the condition that providers offer the relevant employees ongoing employment
- applying a consistent and adequate indexation formula to service providers that covers the true cost and increasing complexity of delivering services
- expanding the portable long service leave scheme to include more entitlements and support more majority-women care and community services.

Given the care and community sector has the third largest gender pay gap, the Inquiry also suggests that VPS departments adopt gender-ethical funding guidelines to promote gender equality in the not-for-profit and community sector through Victorian Government grants and funding agreements. The Inquiry suggests the Commission for Gender Equity in the Public Sector (CGEPS) should lead the development and roll-out of the guidelines. The Inquiry also suggests that CGEPS should partner with VCOSS as sector experts to pilot the new funding guidelines and build data collection capacity.

### **Q** Finding 19:

All VPS departments should be required to apply gender-ethical funding guidelines for government grants and funding recipients.

# The Victorian Government can play an active role in lobbying for gender equality improvements to the national industrial relations system

Systemic revaluation of care and community work requires reform to the way wages are assessed by the Fair Work Commission. The Inquiry recommends that the Victorian Government advocate for reforms to the FW Act to improve gender equality across industries and occupations (Recommendation 25). The Inquiry recommends the Victorian Government advocate for the following:

- Gender equity principles and a gender lens that informs the exercise of all the powers of the Fair Work Commission and the Fair Work Ombudsman
- A gender equity panel should be established, and the gender pay equity unit should be re-established at the Fair Work Commission
- An independent review of the FW Act and the Fair Work Commission approach and framework should be commissioned to assess the efficacy of the modern award objective that relates to equal remuneration, equal remuneration orders and work value orders.

### **()** Recommendation 25:

The Inquiry recommends that the Victorian Government:

Advocate to the Australian Government for a review and evaluation of the Fair Work system that develops processes to address the undervaluation of work in majoritywomen sectors.

# 4.4

# Supporting women in business and entrepreneurship

### **()** Recommendation 26:

Support women-owned businesses and women entrepreneurs to start-up or scale-up through a suite of initiatives including:

- a. investing in capacity-building program like a Strong Start Women in Business program
- b. funding pre-accelerator and accelerator programs that help women entrepreneurs launch start-ups
- c. developing and expanding dedicated programs for migrant women who are looking to start a business.
   These programs should provide support with accessing finance, financial management principles, and sustainable business design
- d. increasing women's access to capital by funding the VC Catalyst Program to increase angel and VC investor capabilities
- e. developing a fund to follow on from the Angel Sidecar Fund to boost access to capital past the initial start up stage
- f. supporting the growth of women-owned businesses by funding partner agencies such as Global Sisters and Ngarrimili.

### **()** Recommendation 27:

Invest in co-designed, holistic support programs for Indigenous women entrepreneurs that:

a. provide resources to prospective Indigenous women entrepreneurs

- b. facilitate access to wrap-around services such as financial counselling, networking, mental health supports, mentoring and training to assist Indigenous women entrepreneurs through the COVID-19 pandemic recovery phase
- c. support Indigenous women entrepreneurs with grants for infrastructure, equipment and digital literacy to pivot their business through the COVID-19 pandemic recovery phase.

### **()** Recommendation 28:

Support women-owned businesses in rural and regional areas where business owners are at risk of, or experiencing, financial hardship.

# **③** Finding 20:

The Victorian Government can introduce women-specific business support initiative streams as well as streams to support women from diverse backgrounds and social groups, including Aboriginal women and women in rural and regional Victoria. Successful initiatives that are focused on Victorian women in business, such as the Small Business Bus, should now be scaled-up.

### **Q** Finding 21:

The Victorian Government should consider how to generate more childcare options for rural and regional women. 'The woman business owner is at the centre of a network of various relationships that include family, community and business. In other words, when a woman starts or acquires her own business, in her view she is not creating/ acquiring a separate economic entity, rather she is integrating a new system of business-related relationships into her life.'

Candida G. Brush, Research on Women Business Owners: Past Trends, a New Perspective and Future Directions<sup>108</sup> <sup>109</sup>

# 1. Introduction

The COVID-19 pandemic has highlighted some of the persistent challenges women face in achieving economic equity. As outlined in Chapter 1: Addressing the exacerbation of existing economic inequalities by the COVID-19 pandemic, Victorian women have been disproportionately affected by the public health restrictions associated with the COVID-19 pandemic, including national and state border closures, stay-at-home orders, and the closure of customer-facing businesses.

Women business owners and entrepreneurs have been significantly affected by the impacts of COVID-19. Submissions to the Inquiry spoke to the financial difficulties and uncertainty experienced by many women business-owners over this time.<sup>110</sup> Working from home, many women-owned businesses who were ineligible for support from the Australian Government were forced to bring their business online to generate income while also managing childcare, home-schooling and domestic responsibilities.

Encouragingly, research suggests many women who lost their jobs due to the COVID-19 pandemic launched their own business or entrepreneurial activity. In particular, the last 12 months has seen a 15.2 per cent rise in the number of micro-businesses registered in Australia.<sup>111 112</sup> As we explore in further detail below, the women who started a business in this period spoke of the way business and entrepreneurship enabled their economic security.

<sup>108</sup> C G Brush, *Research on Women Business Owners: Past Trends, a New perspective and Future Directions*, Entrepreneurship Theory and Practice, 1992, vol. 16, no. 4, pp. 5 30, accessed 6 October 2021.

<sup>109</sup> Australian Bureau of Statistics (ABS), <u>Profile of Australian Women in Business</u>, report prepared for the Office for Women, Australian Government, 2015, accessed 6 October 2021.

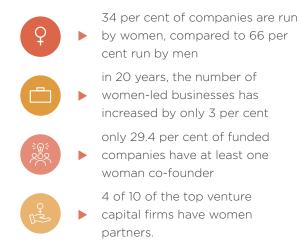
<sup>110</sup> Stakeholders include: Associate Professor Afreen Hug, Good Shepherd, and Whittlesea Community Connections.

<sup>111</sup> B Healey, <u>More small businesses are being set up during the pandemic, as lockdowns spark career pivots</u>, Business Insider Australia, 2021, accessed 23 November 2021.

<sup>112</sup> ABS, Counts of Australian Businesses, including Entries and Exits, Australian Government, August 2021, accessed 23 November 2021.

| ስ

The Wade Institute in its 'Women and Entrepreneurship' report found that currently in Australia:<sup>113</sup>



Research out of the US and UK has found that women-led or co-founded start-ups have lower failure rates, produce more capital-efficient companies and achieve venture-level returns.<sup>114</sup> Within the technology sector, women-led companies achieve 35 per cent higher return on investment, and when venture backed, bring in 12 per cent higher revenue than male-owned tech companies.<sup>115</sup> Globally, women founded and co-founded start-ups return 78 cents per dollar invested, compared with 31 cents for men-founded start-ups.<sup>116</sup> More broadly, the potential economic and social gains associated with increased gender equality in business and entrepreneurialism are significant. Analysis by Boston Consulting Group (BCG) showed that if women and men participated equally as entrepreneurs, global GDP could rise by approximately 3 to 6 per cent, boosting the global economy by \$2.5 trillion to \$5 trillion.<sup>117</sup> If Victoria's economy increased at a similar rate, it would add around \$14 billion to \$28 billion to economic activity.118

Victoria already leads the nation in its support for micro, small and medium businesses. By tapping into and expanding women's entrepreneurial potential and increasing the number of women founders, Victoria could position itself as the capital for women entrepreneurs in South-East Asia.



<sup>113</sup> Wade Institute, The Women and Entrepreneurship Report, 2019, accessed 23 November 2021.

114 Ibid

<sup>115</sup> K E Klein, Women Who Run Tech Startups Are Catching Up, Stanford University, 2013, accessed 12 November 2021.

<sup>116</sup> Asialink Business, <u>Empowering Women Innovation Leaders in Australia and Southeast Asia: A Regional Blueprint</u>, 2020, accessed 23 November 2021.

<sup>117</sup> S Unnikrishnan and C Blair, <u>Want to Boost the Global Economy by \$5 Trillion? Support Women as Entrepreneurs</u>, 2019, accessed 17 October 2021.

<sup>118</sup> ABS, 'Table 3. Expenditure, Income and Industry Components of Gross State Product, Victoria, Chain volume measures and current prices', *Australian National Accounts: State Accounts*, ABS website, November 2020, accessed 19 October 2021.

# 2. Key issues

# Public data on women-owned businesses in Australia is limited

Data on women-owned and controlled businesses in Australia is rarely collected in a systematic way, leaving a gap in government's understanding of how to support them. The most recent ABS data collected in 2014 found that women made up just over one third of Australian business operators and that this has steadily increased over the past two decades.<sup>119</sup> The same is true for women working in small and medium enterprises (SMEs).

Women business owners are more likely to have dependent children than employed women. According to the 2015 Australian Bureau of Statistics (ABS) 'Women in Business' report, 81 per cent of women business operators are mothers (of children of any age) compared with 57 per cent of women employees.<sup>120</sup>

The reasons women start a business differ to those of men. The main drivers for women include employment discrimination, insecure or low-paid work opportunities, caring responsibilities and the associated need for flexibility, better worklife balance and a desire to overcome perceived barriers to promotion or leadership in the workplace.<sup>121</sup>

The Inquiry recommends that the Victorian Government undertake further research and regular data collection to understand how to best support women-owned businesses in Victoria. This should also include the development of a database of women-owned businesses to facilitate greater participation in government procurement opportunities. To grow their businesses, women business owners and entrepreneurs require access to wrap-around supports and visibility to thrive. A centralised location for information and supports may be useful in helping women navigate and access the full range of programs and services that are available to them.

# Women-owned businesses face unique barriers

Research undertaken by the Organisation for Economic Co-operation and Development (OECD) and European Union in 2018 found that women tend to run smaller businesses than men and are more likely to operate in non-capitalintensive industries and sectors that frequently have lower potential for generating a sustainable and high income.<sup>122</sup>

Women face a number of challenges to starting a business. Women experience discouraging social and cultural attitudes, greater fear of failure, harmful stereotypes and bias, lack of networks and mentors, as well as juggling caring responsibilities and the all-hours demands of growing a business.<sup>123</sup>

One significant barrier reported by women ready to start a business is difficulty accessing adequate start-up funding. Research by BCG found that investments in companies founded or co-founded by women average \$935,000 in start-up funding – significantly less than the average \$2.1 million in start-up funding given to companies founded by men. BCG noted that despite the disparity in funding, women founded or co-founded companies created 10 per cent more in cumulative revenue over a five-year period (US\$730,000 compared with US\$662,000 cumulative revenue created by companies founded or co-founded by men).<sup>124</sup>

<sup>119</sup> ABS, <u>Profile of Australian Women in Business</u>, report prepared for the Office for Women, Australian Government, 2015, accessed 6 October 2021.

<sup>120</sup> Ibid.

<sup>121</sup> EY, Advancing women-owned businesses in the COVID-19 recovery, 2021, accessed 15 October 2021.

<sup>122</sup> Directorate-General for Employment, Social Affairs and Inclusion (European Commission) and the Organisation for Economic Co-operation and Development, *Policy Brief on Women's Entrepreneurship*, 2017, accessed 18 October 2021.

<sup>123</sup> R Burn-Callander, *The five barriers to women in business*, The Telegraph, 2019, accessed 18 October 2021.

<sup>124</sup> K Abouzahr, M Krentz, J Harthorne and F B Taplett, Why Women-Owned Startups Are a Better Bet, BCG, 2018, accessed 17 October 2021.

# Business owners come from highly diverse backgrounds and contexts

According to the 2015 ABS *Women in Business* report, 0.6 per cent of women business operators identified as Aboriginal (compared to 0.2 per cent of all Australian business owners), 29 per cent of Australian women business owners were born overseas (compared to 30 per cent of Australia's population born overseas),<sup>125</sup> and 12 per cent of women employers and sole operators had a disability (compared to 20 per cent of Australians with disability),<sup>126 127</sup>

'Offering people hope of a new life means offering them meaningful choices, built on forms of economic activity whose sustainability over the long-term is evidenced by the positive supports put in place to make sure economic activity succeeds' - Associate Professor Afreen Hug.

Submissions from SisterWorks and Associate Professor Afreen Huq outlined the unique barriers migrant and refugee women face when trying to enter the workforce. Some community members have low levels of English, limited work experience, low confidence and are socially isolated. They also have to navigate the cultural norms and expectations of their home countries and the cultural barriers of their new host country. Discrimination, previous training and education not being recognised, lack of digital skills, visa restrictions, lack of access to transport and limited financial resources are just some of the numerous external barriers they face to employment. As a result of these barriers, migrant and refugee women are often 'pushed' into starting a business. When starting businesses, migrant and refugee women often face difficulties accessing finance and 'one size fits all' business supports that don't fit their needs. Access to tailored support, mentoring and training programs, finance, and networks could support migrant and refugee women in starting a business, boosting their confidence, resilience and agency and in turn boosting employment and the Victorian economy.

# Many Indigenous women entrepreneurs face barriers to growing their businesses

Many Aboriginal Victorians start businesses based on community needs or gaps. While this can provide an ongoing source of motivation, it can also be difficult to balance community demands, caring responsibilities and the demands of a business.<sup>128</sup> <sup>129</sup>

In research commissioned by the Inquiry, Koorie Women Mean Business identified that Indigenous women entrepreneurs carry significant caring and leadership responsibilities alongside their business owner/operator duties.<sup>130</sup> This balance was particularly difficult to maintain during the COVID-19 pandemic – many business owners had to prioritise caring for family and community.

125 ABS, 30% of Australia's Population Born Overseas [media release], 2021, accessed 17 October 2021.

ABS, <u>Profile of Australian Women in Business</u>, report prepared for the Office for Women, Australian Government, 2015, accessed
 6 October 2021.

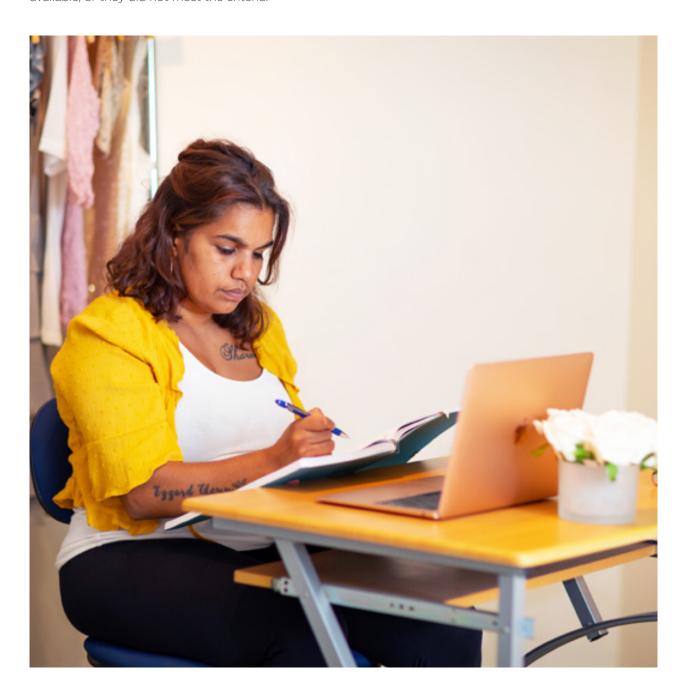
<sup>127</sup> J Collins, How Women Owned Businesses Impact Women's Economic Security, Femeconomy, 2021, accessed 6 October 2021.

<sup>128</sup> A Richard, *Mikwam Makwa Ikwe (Ice Bear Woman): A National Needs Analysis on Indigenous Women's Entrepreneurship*, Women Entrepreneurship Knowledge Hub, 2021, accessed 22 November 2021.

<sup>129</sup> Koorie Women Mean Business, Impacts of COVID-19 on Workplace & Economic Equity for Aboriginal and Torres Strait Islander Women Implications for Victoria, 2021, research commissioned by the Inquiry into economic equity for Victorian Women.

<sup>130</sup> In their report to the Inquiry, Koorie Women Mean Business advised that 'the literature acknowledges that the most appropriate term to use for Indigenous women in business is "Indigenous women entrepreneur", recognising that their involvement in business is diverse but typically reflects owning small to medium sized businesses and/or being self-employed' (National Advisory Council on the Employment of Women within the Ministry for Women *Te Minitatanga mõ ngā Wāhine*, 2019).

During the COVID-19 pandemic, Indigenous women entrepreneurs experienced increased anxiety and isolation as well as loss of business in terms of both income, and business and workforce relationships. Indigenous women entrepreneurs reported that government financial supports were difficult to access – often women were unaware they were available, or they did not meet the criteria.<sup>131</sup> The ongoing digital divide is a barrier to business growth. During the COVID-19 pandemic, low-quality internet prevented many Indigenous women entrepreneurs from pivoting or expanding their businesses, as priority internet access was given to children and full-time working partners.<sup>132</sup>



- 131 This was echoed by Supply Nation who conducted a survey of its members in the early stages of the COVID-19 pandemic lockdowns, a substantial number were confused by the government's initial messaging. Supply Nation, <u>Principles for designing post</u> <u>COVID-19 support programs for Indigenous business</u>, 2021, accessed 19 November 2021.
- 132 Y Dinku, B Hunter, F Markham, <u>How might COVID-19 affect the Indigenous labour market?</u> Australian Journal of Labour Economics, 2020, 23(2), accessed 19 November 2021.
- 133 Koorie Women Mean Business, Impacts of COVID-19 on Workplace & Economic Equity for Aboriginal and Torres Strait Islander Women Implications for Victoria, 2021, research commissioned by the Inquiry into economic equity for Victorian Women.

## CASE STUDY

# An Indigenous women entrepreneur's experiences during the COVID-19 pandemic

Business owner Bess had always wanted to run her own business on the land. Bess had acquired a small plot of land 20 years ago, but life circumstances had prevented her progressing her business dream. Prior to COVID-19, Bess had been on track to finally build her bush foods business and cafe. Bess had started the business because she wanted to reconnect herself with her culture and cultural product. She also wanted a space to educate the community about bush foods, a growing market.

In addition to building a cafe, Bess had also been trialling a particular plant for market. While Bess remains excited about expanding into the plant market, she decided to slow her business activity down due to COVID-19 restrictions that significantly reduced her free movement and workforce as well as her capacity to drive the business and plant trials forward. Bess identified the following key challenges to growing her business in the COVID-19 pandemic:

- being unable to travel to and care for her business on the farm Bess lives off site, over 30 kms from the property, which is outside the limits imposed for travel. Bess experienced constant distress about how to care for her animals and plants
- Bess was not aware that there were permits she could have accessed as an essential worker, and generally found online information about potential available support confusing, and too difficult to navigate. She was not in a position to fill out multiple forms
- insufficient funds and capabilities to pivot from face-to-face meetings in cafes to Zoom and other digital platforms. Bess noted that living on Centrelink's Farm Assistance means there was only the bare minimum available. Many of her peers were also forced to start casual work and/ or draw down on superannuation to maintain their business
- insufficient funds to buy and maintain infrastructure such as fridges to store unused products due to lockdowns.
- heightened isolation, grief and loss. Being the sole lead in the business, Bess not only lost her volunteer workforce and business associates, she was also unable to see family and friends.

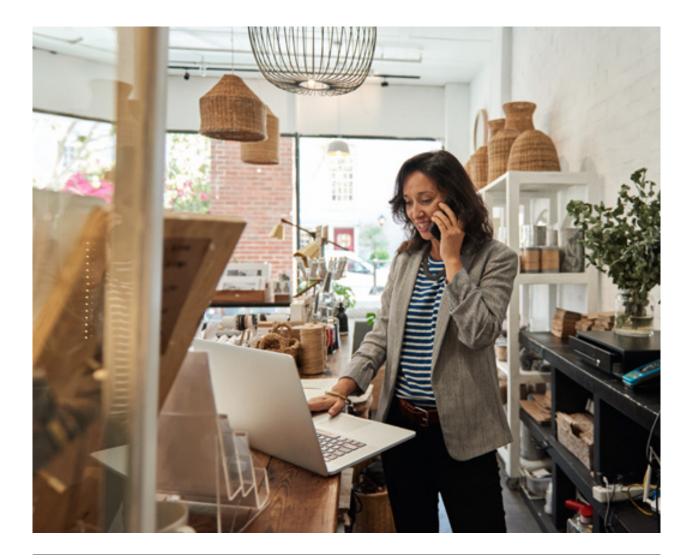
Bess describes the following supports as critical to maintaining a business:

- having someone in your personal and business corner a person who understands your industry and business, who knows what is available to support your business and who can assist with making those connections including supports with filling in applications such as grants, JobKeeper, tenders, and other support programs
- having access to grants to enable the business to pivot to an online marketplace where that is possible, including support to access the necessary business infrastructure and equipment
- having access to women's networks such as Global Sisters and other women in business supports in Victoria and nationally to reduce the sense of isolation and increase a sense of confidence and belonging. These networks are also critical for practical information sharing.

## Rural and regional women business owners face additional barriers

Women entrepreneurs and small business owners based in regional and rural areas of Victoria contribute significantly to the economy. Micro and small businesses are the backbone of regional and rural Victoria. Indeed, Reserve Bank of Australia research has identified that small businesses are more likely than larger businesses to operate in regional areas.<sup>134</sup> Across Australia, around one-third of women business owners live in regional areas and just over 2 per cent of women business owners live in remote areas.<sup>135</sup> The Inquiry acknowledges that women small business owners face multiple barriers to success. One key barrier for women in regional and rural areas is difficulty accessing childcare services. The Australia Talks National Survey 2021, found 57 per cent of people living in rural areas report some difficulty finding good quality childcare, compared to 41 per cent of those in inner-metropolitan areas.<sup>136</sup>

Women in regional and rural areas are also more exposed to natural disasters, including drought, bushfires, and floods. The Inquiry acknowledges that women in rural and regional settings require additional supports to build financial resilience in the face of unexpected hardships.



<sup>134</sup> S Nicholls and D Orsmond, <u>The Economic Trends, Challenges and Behaviour of Small Businesses in Australia</u>, Reserve Bank of Australia, 2015, accessed 10 November 2021.

<sup>135</sup> ABS, *Profile of Australian Women in Business*, report prepared for the Office for Women, Australian Government, 2015, accessed 6 October 2021.

<sup>136</sup> A McLennan, <u>Australia Talks finds six out of 10 regional families can't easily access child care</u>, Australian Broadcasting Corporation, 2021, accessed 10 November 2021.

# 3. Findings and Recommendations

# Efforts that build resilience and connections to capital have been shown to improve the success of women-led businesses

The Inquiry recommends that the Victorian Government take a three-fold approach to supporting women in business by investing in capacity building programs, increasing women's access to capital and supporting the growth and scaling up of women-owned businesses.

Mentoring and specialised advisory services that provide women with tailored support are key to business sustainability and therefore, long-term economic security for women business owners and entrepreneurs.

Victoria has a range of organisations that provide specialised assistance to women at all stages of business development, providing a suite of support services designed with women's needs in mind, including mental health support, access to childcare, referral services, co-location spaces and connections with other entrepreneurial women.<sup>137</sup> A number of these organisations were started due to the founders' own experiences of setting up their businesses amid a lack of support and networking opportunities for women entrepreneurs. It is clear from the success stories of these organisations that a holistic and tailored approach to business supports is most effective in supporting successful and sustainable economic outcomes for women in business

Micro-businesses<sup>138</sup> are on the rise in Australia, with a marked increase over the past 12 months, and are particularly popular for women from diverse backgrounds and social groups.<sup>139</sup> Micro-businesses offer an alternative income source to mainstream employment that provides the autonomy and flexibility needed to manage caring responsibilities.<sup>140</sup> Supporting women in micro-businesses could boost employment and contribute to economic growth following the COVID-19 pandemic.

The Inquiry recommends that a variety of initiatives should be funded to support women entrepreneurs. Pre-Accelerator and Accelerator programs that provide intensive and time-limited business support for early-stage start-ups have proved successful. The advantages to entering an accelerator are clear: start-ups that complete accelerator programs receive investment faster than those that don't.<sup>141</sup> Launch Vic already facilitates a number of these programs, which could be scaled-up and/or tailored for different cohorts of women subject to successful evaluation.

The Victorian Government should invest further in the Venture Capital (VC) Catalyst Program to increase angel and venture capital (VC) investor capabilities and provide more capital for womenowned start-ups. Increasing investment in venture capital programs like the Women's Founders Angel Sidecar Fund facilitated by Launch Vic will help remove the structural barriers to entrepreneurship for women.

<sup>137</sup> Some organisations that were identified as providing these types of services are Global Sisters, Ngarrimili, LaunchVic, and SisterWorks.

<sup>138</sup> A micro-business is a business that employs between 1 and 4 people including non-employing businesses. G Gilfillan, <u>Definitions and</u> <u>data sources for small business in Australia: a quick quide</u>, Parliament of Australia, 2015, accessed 23 November 2021.

<sup>139</sup> Global Sisters has seen a large increase in requests for support services since the COVID-19 pandemic began, showing there is significant interest and potential from women wanting to start or grow their own micro-businesses.

<sup>140</sup> K Curtis Women's micro-businesses offer a way out of the pandemic's economic slump, The Age, 2021, accessed 22 November 2021.

<sup>141</sup> Wade Institute, *The Women and Entrepreneurship Report*, 2019, accessed 23 November 2021.

### **Q** Finding 20:

The Victorian Government can introduce women-specific business support initiative streams as well as streams to support women from diverse backgrounds and social groups, including Aboriginal women and women in rural and regional Victoria. Successful initiatives that are focused on Victorian women in business, such as the Small Business Bus, should now be scaled-up. The Office for Women funds several organisations, including Brotherhood of St Laurence, SisterWorks and Migrant Women in Business, that support women from migrant and refugee backgrounds to start their own business by helping them with Australian systems and business requirements, language, skill development, one-on-one mentoring, and networking.

The Inquiry recommends that the Victorian Government scale-up these successful programs through increased investments.

# CASE STUDY

### **Ada's Story**

In 2014, Ada left her homeland, Hong Kong, to start a new life in Australia with her daughter. When she arrived, Ada could not speak English and did not have a job or driver's licence. Integrating into a new, completely foreign environment was a challenge.

SisterWorks has provided Ada with many opportunities. Through joining the Richmond Empowerment Hub, she's discovered new friends and built up her skills and confidence in speaking English.

With the support of a SisterWorks mentor, Ada has gained the knowledge needed to successfully set up and launch her own small business, an accessories brand called 'Ga Yae Designs.' The SisterWorks online and retail shop stocks several of Ada's unique and colourful, hand-crafted products, creating stronger brand reach and sales for her new business.



## **()** Recommendation 26:

The Inquiry recommends that the Victorian Government:

Support women-owned businesses and women entrepreneurs to start-up or scale-up through a suite of initiatives including:

- a. investing in capacity-building program like a Strong Start Women in Business program
- b. funding pre-accelerator and accelerator programs that help women entrepreneurs launch start-ups
- c. developing and expanding dedicated programs for migrant women who are looking to start a business.
   These programs should provide support with accessing finance, financial management principles, and sustainable business design
- d. increasing women's access to capital by funding the VC Catalyst Program to increase angel and VC investor capabilities
- e. developing a fund to follow on from the Angel Sidecar Fund to boost access to capital past the initial start-up stage
- f. supporting the growth of women-owned businesses by funding partner agencies such as Global Sisters and Ngarrimili.

# The needs and interests of Indigenous women entrepreneurs must be at the centre of policy and program design

Koorie Women Mean Business highlighted that:

'Successful support programs are not about bringing a 'program in a box' to a community and expecting it to be picked up. A successful program is about listening and learning from past experiences and to the business owners and communities themselves'

The Government needs to engage with Indigenous women entrepreneurs in a responsive and practical way.<sup>142</sup> <sup>143</sup> As outlined in Chapter 5.1: *Supporting self-determination and economic equity for Aboriginal women*, economic recovery plans and supports for Indigenous women entrepreneurs must be designed on the basis of self-determination principles that centre Aboriginal voices at all stages of policy, program and service design.

# Indigenous women entrepreneurs need holistic business support

Indigenous businesses are disproportionately SMEs, which may make them more likely to be affected by a long COVID-19 pandemic recession.<sup>144</sup> The Inquiry notes the importance of Indigenous businesses and entrepreneurs to the Victorian economy and to achieving economic equity for Aboriginal women.<sup>145</sup>

Koorie Women Mean Business research participants identified that future program supports need to be holistic, practical and connected directly with the business owner.

Connection to other Indigenous entrepreneurs was also viewed as an essential factor in business success. The Inquiry heard while some Indigenous women entrepreneurs lacked the necessary equipment and infrastructure required to bring their business online during the COVID-19 pandemic, those who were able to access and navigate new IT platforms, such a Microsoft Teams or website development, were able to successfully pivot.

<sup>142</sup> P Phelan, *Doing It Themselves*, Pursuit, 2020, University of Melbourne, accessed 19 November 2021.

 <sup>143</sup> Supply Nation, <u>Principles for designing post COVID-19 support programs for Indigenous business</u>, 2021, accessed 19 November 2021.
 144 Y Dinku, B Hunter, F Markham, <u>How might COVID-19 affect the Indigenous labour market?</u>, Australian Journal of Labour Economics, 2020, 23(2), accessed 19 November 2021.

<sup>145</sup> Indigenous businesses are 100 times more likely to employ Indigenous workers than other businesses and are often important institutions within the communities in which they are located. Ibid.

During Inquiry consultations, Ngarrimili also noted that access to mental health supports for Indigenous women entrepreneurs was just as important to business outcomes as access to business support.<sup>146 147</sup>

Holistic business supports should therefore focus on building networks, reaching out to Indigenous women entrepreneurs as well as grants programs for setting up businesses online. Appendix E sets out advice from Koorie Women Mean Business about how to design effective community-led employment programs to support Indigenous women entrepreneurs.

### **()** Recommendation 27:

The Inquiry recommends that the Victorian Government:

Invest in co-designed, holistic support programs for Indigenous women entrepreneurs that:

- a. provide resources to prospective Indigenous women entrepreneurs
- b. facilitate access to wrap-around services such as financial counselling, networking, mental health supports, mentoring and training to assist Indigenous women entrepreneurs through the COVID-19 pandemic recovery phase
- c. support Indigenous women entrepreneurs with grants for infrastructure, equipment and digital literacy to pivot their business through the COVID-19 pandemic recovery phase.

# Regional and rural women business owners and entrepreneurs require specific supports

The Inquiry recommends that the Victorian Government support the development and sustainability of women's businesses by investing in financial resilience and financial management training programs tailored to the needs of diverse groups of women.

Programs should connect rural and regional women with free and impartial financial information, childcare options, business decision-makingor pivoting support options and referral services that help create sustainable businesses and build resilience against future economic shocks.

As identified in the issues section, access to childcare is a significant barrier for women-owned businesses in rural and regional Victoria. The Australian Small Business and Family Enterprise Ombudsman has stated that reforming the childcare system would provide essential support to women in small business.<sup>148</sup> Beyond the recommendations in Chapter 2.2: *Improving access to quality early childhood education and care*, the Inquiry suggests that the Victorian Government consider how to generate more childcare options for rural and regional women business owners.

Support for women-owned businesses and entrepreneurs must be considered in the broader context of gender inequality. While there are numerous barriers to women's participation in the workforce, supporting women-owned businesses and entrepreneurs is an important way to generate long-term economic security for women and Victoria.

### **()** Recommendation 28:

Support women-owned businesses in rural and regional areas where business owners are at risk of, or experiencing, financial hardship.

### Finding 21:

The Victorian Government should consider how to generate more childcare options for rural and regional women.

<sup>146</sup> Ngarrimili's model in this regard is to support Indigenous women entrepreneurs by connecting them with the most appropriate services for their circumstances.

<sup>147</sup> Global Sisters, a holistic business support provider was acknowledged by Koorie Women Mean Business as another important source of holistic support, with research participants identifying that it was a 'life saver' in the face of isolation experienced during COVID-19. Global Sisters provided opportunities to network and connect with supports and mentors.

 <sup>148</sup> L Maskiell, <u>Small business ombudsman Kate Carnell backs calls for affordable childcare</u>, SmartCompany, 2021, accessed
 10 November 2021.



**CHAPTER FIVE** 



Improving the safety net for priority cohorts of women

This chapter will canvass how economic inequity is experienced by priority cohorts of women and set out recommendations aimed at supporting self-determination and economic equity for Aboriginal women, improving access to affordable housing for women in vulnerable circumstances, improving women's economic security at retirement and supporting women experiencing family violence. 5.1

# Supporting self-determination and economic equity for Aboriginal women

### **()** Recommendation 29:

Improve the collection and use of data about Aboriginal women in Victoria by:

- a. developing a qualitative and quantitative research grants program to fill knowledge gaps about the experiences and needs of Aboriginal women. Government can use this research to complete gender impact assessments as part of policy, program and service design
- supporting Victorian public sector workplaces to collect high-quality data about the workplace experiences of Aboriginal women under the *Gender Equality Act 2020*, including experiences of discrimination and caring responsibilities.

### **Q** Finding 22:

To be successful, policies, programs and services that support economic security for Aboriginal women need to be developed by Aboriginal communities, recognising that self-determination and treaty principles are key to successful outcomes.

### **Q** Finding 23:

Aboriginal women's greater cultural load when in the workplace should be recognised and compensated.

### **()** Recommendation 30:

Support the implementation of the Victorian Aboriginal Employment and Economic Development Strategy, and ensure it addresses the needs of Aboriginal women. 'From time immemorial, Victorian traditional owners have practised their laws, customs and languages, and nurtured Country through their spiritual, cultural, material and economic connections to land, water and resources. Through the strength, resilience and pride of Victorian traditional owners, their cultures, communities and economies endure and continue to grow and thrive today. Aboriginal Victorians are an intrinsic and valued part of Victoria's past, present and future'

Advancing the Treaty Process with Aboriginal Victorians Act 2018<sup>1</sup>

# 1. Introduction

Aboriginal communities have rich cultural and social identities.<sup>2</sup> However, many Aboriginal women have low levels of economic security, due in part to Aboriginal women's lower workforce participation rates. Lower participation rates are driven by a range of interconnected factors including culturally unsafe workplaces, discrimination, and high levels of caring responsibilities.

In a research report commissioned by the Inquiry, Koorie Women Mean Business found that:

'Not unlike other women, Indigenous women balance many roles; they can be mothers, partners, carers to family and kin, they are friends to many and they also assume leadership roles within their communities.' The Inquiry acknowledges that any discussion of economic equity for Aboriginal women must be considered in the historical context of colonisation and dispossession and the attendant intergenerational consequences.<sup>3</sup> The structures and impacts of colonisation still exist to this day and must be considered as part of supports for achieving Aboriginal women's economic equity.<sup>4</sup>

<sup>1</sup> Advancing the Treaty Process with Aboriginal Victorians Act 2018, 2018, Preamble, Page 1

<sup>2</sup> Victorian Government, Victorian Government Aboriginal Affairs Report 2020, 2020, accessed 16 November 2021.

<sup>3</sup> Aboriginal Affairs Victoria, <u>Strong Culture, Strong Peoples, Strong Families</u>, 2nd edition, Victorian Government, 2008, accessed 15 November 2021.

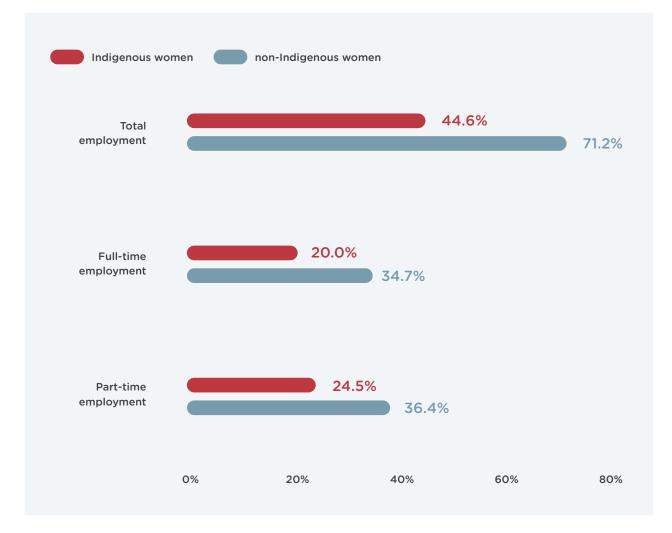
<sup>4</sup> Victorian Government, Victorian Government Aboriginal Affairs Report 2020, 2020, accessed 16 November 2021.

# 2. Key Issues

Aboriginal women have lower rates of workforce participation compared to non-Aboriginal women

Aboriginal women have lower rates of workforce participation than non-Aboriginal women and are under-represented across all levels of the Australian workforce.<sup>5</sup> Data collected between 2017 and 2019 found that 44.6 per cent of Aboriginal women aged 15 to 64 were employed in Australia, compared with 53.7 per cent of Aboriginal men and 71.1 per cent of non-Indigenous women.<sup>6</sup>

As shown in Chart 13, less than half of all Aboriginal women aged between 15 and 64 are employed and of those, less than half are working in a full-time capacity.



#### Chart 13: Proportion of Indigenous women and non-Indigenous women in employment, by employment type

**Source:** Australian Institute of Health and Welfare, *Indigenous employment, analysis of ABS microdata*, accessed 18 November 2021: **Note:** Data categorised as 2018-19 for Indigenous women and 2017-18 for non-Indigenous women. Data may not sum due to rounding.

<sup>5</sup> O Evans, *Gari Yala (Speak the Truth): gendered insights*, Workplace Gender Equality Agency (WGEA), Jumbunna Institute of Education and Research and Diversity Council Australia, 2021, accessed 1 November 2021.

<sup>6</sup> Australian Institute of Health and Welfare (AIHW), Indigenous Employment, Australian Government, 2021, accessed 15 November 2021.

Aboriginal women are mostly working in similar industries to non-Aboriginal women, that is to say, in public sector majority-women workforces. In 2018 to 2019, 22.8 per cent of Aboriginal women in the labour market were employed in the health care and social assistance industries, followed by 13.4 per cent in public administration and safety and 13.2 per cent in education and training.<sup>7</sup>

# Aboriginal women face compounding barriers to finding and retaining employment

Aboriginal women face a complex array of barriers that limit their employment opportunities over the long-term.

The most common barriers preventing Aboriginal women from full participation in the workforce include employment discrimination, culturally unsafe workplace cultures, poorer general health and wellbeing outcomes, kin and caring responsibilities, disproportionate rates of family and domestic violence, geographical location (living in areas with fewer opportunities) and lower levels of higher education and training.<sup>8</sup>

#### **Caring responsibilities**

Caring responsibilities impact on Aboriginal women's ability to enter the workforce and participate over the long-term.<sup>9</sup> In research commissioned by the Inquiry, Koorie Women Mean Business noted that family and community are at the heart of Aboriginal culture and that this is reflected in the high levels of caring responsibilities held by many Aboriginal women.<sup>10</sup> Aboriginal people are more likely to provide care for children, family, and members of the community than non-Aboriginal people, and Aboriginal women have significantly more caring responsibilities than Aboriginal men.<sup>11</sup>

Aboriginal women and girls often have caring responsibilities at an earlier age than non-Aboriginal women.<sup>12 13</sup> These responsibilities may cause Aboriginal women to remain in insecure, low-paid or culturally unsafe workplaces as 'leaving will put those they care for in vulnerable positions.'<sup>14 15</sup>

#### **Formal education levels**

Education and training qualifications affect Aboriginal women's workforce participation levels. As shown in Chart 14, year 10 and Certificate III or IV are the most common levels of qualification held by Victorian Aboriginal women (cumulatively 35.2 per cent).

Structural barriers inhibit many Aboriginal Victorians from attaining formal qualifications, including experiences of racism and bullying, lack of formal support to understand educational pathways, poorer health and wellbeing, lack of cultural safety in educational institutions and for remote or rural communities, lack of access to educational institutions.<sup>16</sup>

<sup>7</sup> Productivity Commission, 'Table 9A.1.20', *Overcoming indigenous Disadvantage: Key Indicators 2020*, Steering Committee for the Review of Government Services, 2020, page 3139, accessed 15 October 2021.

<sup>8</sup> WorkFast, Aboriginal and Torres Strait Islander women in the workforce, 2018, accessed 16 November 2021.

<sup>9</sup> O Evans, <u>Gari Yala (Speak the Truth): gendered insights</u>, WGEA, Jumbunna Institute of Education and Research and Diversity Council Australia, 2021, accessed 1 November 2021.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid; Productivity Commission, <u>Overcoming indigenous Disadvantage: Key Indicators 2020</u>, Steering Committee for the Review of Government Services, 2020, accessed 15 October 2021.

<sup>12</sup> O Evans, *Gari Yala (Speak the Truth): gendered insights,* WGEA, Jumbunna Institute of Education and Research and Diversity Council Australia, 2021, accessed 1 November 2021.

<sup>13</sup> The 2011 Census revealed that a third of Aboriginal women have their first child before they are 20 years old, and this is often before they are participating in the workforce (refer to Chapter 2.1: Best practice approach to supporting parents and carers for more information on the motherhood penalty). Commonwealth of Australia Department of Prime Minister and Cabinet, <u>Towards 2025 A</u> <u>Strategy to Boost Australian Women's Workforce Participation</u>, 2017, p 28.

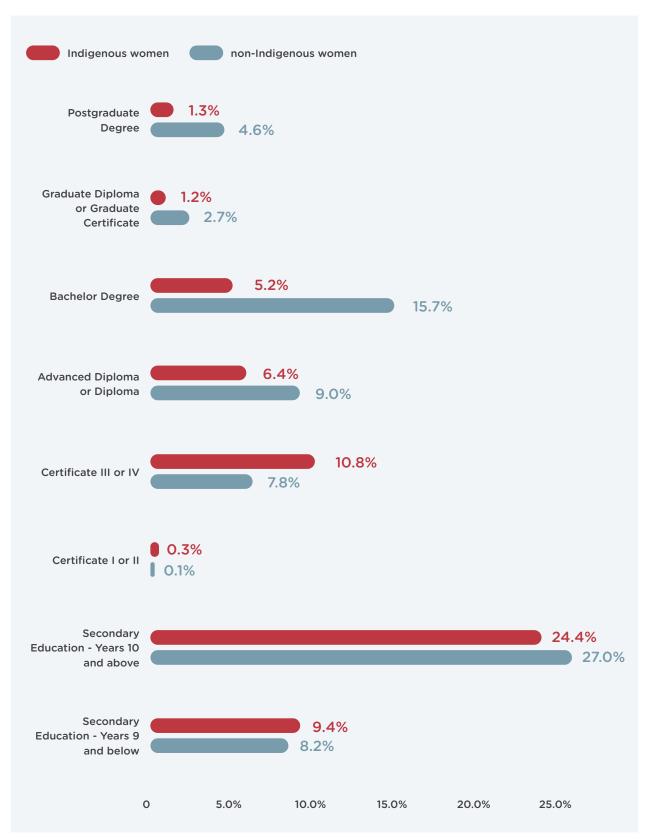
<sup>14</sup> O Evans, *Gari Yala (Speak the Truth): gendered insights,* WGEA, Jumbunna Institute of Education and Research and Diversity Council Australia, 2021, accessed 1 November 2021.

<sup>15</sup> The Gari Yala (Speak the Truth) report found that women who had caring responsibilities also reported having the highest cultural load and were more likely to remain in a culturally unsafe workplace.

<sup>16</sup> Victorian Government, Victorian Aboriginal Affairs Framework, 2018 – 2023, 2018, accessed 16 November 2021.







Source: Australian Bureau of Statistics, Census of Population and Housing, 2016, TableBuilder

**Note:** Indigenous women are those who identify as Aboriginal, Strait Islander, or both Aboriginal and Torres Strait Islander, aged 15 years and over on 2016 Census night. Data excludes individuals where either their highest level of education was not given or their Indigenous status was not stated.

#### Family violence

As outlined in Chapter 5.4: *Supporting women experiencing family violence*, high rates of family violence can lead to long-term negative impacts on individual's engagement in education, community, and the workforce.<sup>17</sup> The Australian Institute of Health and Welfare found that Aboriginal women are 32 times more likely than non-Aboriginal women to be hospitalised due to an experience of family violence.<sup>18</sup> Victim-survivors of family violence can experience financial hardship both through the financial costs of family violence as well as through economic abuse.<sup>19</sup>

# Culturally unsafe and discriminatory workplaces

Systemic discrimination and bias against individuals with intersecting identities, such as Aboriginal women, can create inequalities and discrimination at each stage of the employment cycle.<sup>20</sup>

Aboriginal women have reported experiencing workplace gendered violence at a rate twice that of non-Aboriginal women. When it comes to workplace sexual harassment specifically, appallingly, 55 per cent of Aboriginal women who participated in the 2018 National Survey reported that they had experienced sexual harassment in the workplace in the last five years.<sup>21 22</sup> In their *Gari Yala (Speak the Truth)* report, the Workplace Gender Equality Agency (WGEA) found that Aboriginal women were less likely to receive the support they needed when they 'experienced unfair treatment and/or racial slurs at work because of their Indigenous identity.'<sup>23</sup> This is exacerbated by a distinct lack of Aboriginal women's representation in leadership roles. Aboriginal men, and non-Aboriginal men and women, are more represented in senior and executive level positions than Aboriginal women (refer to Chapter 3.2: *Increasing women's leadership, promotion and influence*).<sup>24</sup>

# Impact of living in regional, rural and remote areas

Connection to land, water and resources is intrinsic for Aboriginal peoples and cultures.<sup>25</sup> Living on country is important for Aboriginal people's health and wellbeing, as well as for a variety of social, spiritual, cultural, environmental, and economic reasons.<sup>26</sup> For Aboriginal women, living on country in rural and regional areas can result in reduced access to employment opportunities.<sup>27</sup> More than one-third (38.9 per cent) of the national population of Aboriginal people live in outer regional areas or in very remote locations. This can be a barrier to attaining full-time employment.<sup>28</sup>

<sup>17</sup> Commonwealth of Australia Department of Prime Minister and Cabinet, <u>Towards 2025 A Strategy to Boost Australian Women's</u> <u>Workforce Participation</u>, 2017, accessed 15 November 2021.

<sup>18</sup> AIHW, Family, domestic and sexual violence in Australia, Australian Government, 2018, accessed 15 November 2021.

<sup>19</sup> KPMG, *The cost of family violence in Victoria: Summary Report prepared for Department of Premier and Cabinet in Victoria*, 2019, accessed 14 November 2021.

<sup>20</sup> O Evans, Gari Yala (Speak the Truth): gendered insights, WGEA, Jumbunna Institute of Education and Research and Diversity Council Australia, 2021, accessed 1 November 2021.

Australian Human Rights Commission, <u>Everyone's Business: Fourth National Survey on Sexual Harassment in Australian Workplaces</u>, 2018, accessed 1 October 2021.

<sup>22</sup> Our Watch, <u>Change the story: A shared framework for the primary prevention of violence against women and their children in</u> <u>Australia</u>, 2nd edn, 2021, accessed 15 October 2021.

<sup>23</sup> O Evans, *Gari Yala (Speak the Truth): gendered insights,* WGEA, Jumbunna Institute of Education and Research and Diversity Council Australia, 2021, accessed 1 November 2021.

<sup>24</sup> Ibid.

Advancing the Treaty Process with Aboriginal Victorians Act 2018; Productivity Commission, <u>Overcoming indigenous Disadvantage:</u> <u>Key Indicators 2020</u>, Steering Committee for the Review of Government Services, 2020, accessed 15 October 2021.
 Ibid.

<sup>27</sup> In 2016, 37.4 per cent of Aboriginal people in Australia lived in major cities, compared to 72.7 per cent of non-Aboriginal Australians. Australian Bureau of Statistics, *Estimates of Aboriginal and Torres Strait Islander Australians*, 2016, accessed 22 November 2021.

<sup>28</sup> The AIHW found that Aboriginal peoples who lived in the major cities had a greater chance of working in full-time positions. In comparison, those living in inner regional areas had a greater chance of working in part-time positions.

# The COVID-19 pandemic has exacerbated existing inequities faced by Aboriginal women

The COVID-19 pandemic has exacerbated Aboriginal women's economic inequity as well as highlighted crucial gaps in data and understanding.

A significant proportion of employed Aboriginal peoples faced severe economic stress during the COVID-19 pandemic as they were less likely to qualify for JobKeeper payments during lockdowns due to being on casual contracts or employed for less than 12 months.<sup>29</sup> Koorie Women Mean Business found that Aboriginal women business owners were frequently unable to access COVID-19 pandemic supports and had a limited understanding of what relief was available.

Deloitte Access Economics has estimated that 14,400 Aboriginal workers lost their jobs nationally in the first three-months of the pandemic.<sup>30</sup>

Data on the mental health and wellbeing of Aboriginal women in Victoria during the COVID-19 pandemic is limited, but survey data produced by Koorie Women Mean Business shows that Aboriginal women experienced increased feelings of isolation and anxiety. Rates of domestic and family violence also increased, particularly under the stay-at-home orders seen in Victoria.<sup>31</sup> Digital inclusion posed a new barrier for Aboriginal women as workforces shifted to working remotely.

# Cultural loads are greater for Aboriginal women

A 'cultural load' is the additional work that Aboriginal peoples are expected to perform in the workplace, beyond their regular workload. For example, this could include using their cultural capital to promote the workplace or additional tasks and responsibilities related to Aboriginal communities.<sup>32</sup> <sup>33</sup>

WGEA's *Gari Yala (Speak the Truth)* report found that Aboriginal women were burdened with the highest cultural load of all workers in workplaces.<sup>34 35</sup> Consequently, WGEA found that 'these extra work demands, which are often not valued to the same degree as regular workloads, are cited as one of the reasons women are slower to get promoted than men'.<sup>36</sup>

29 Deloitte Access Economics and Minderoo Foundation Generation One, <u>The impacts of COVID-19 on the Indigenous Workforce</u>, 2020, accessed 2 November 2021.

<sup>30</sup> The Inquiry anticipates that more jobs were lost during the following lockdowns in Victoria and note the absence of data to determine the true loss of employment for Aboriginal women. Ibid.

<sup>31</sup> Australia's National Research Organisation for Women's Safety, <u>At a glance: Respondents experiences of intimate partner violence</u> (*IPV*) since the beginning of the COVID-19 pandemic [Fact sheet], ANROWS, 2021, accessed 15 November 2021.

<sup>32</sup> Examples include organising a NAIDOC celebration in the office, providing a response on a particular issue relating to Aboriginal communities, being asked to represent community on panels, or being asked to do an acknowledgment of country to open a meeting.

<sup>33</sup> O Evans, Gari Yala (Speak the Truth): gendered insights, WGEA, Jumbunna Institute of Education and Research and Diversity Council Australia, 2021, accessed 1 November 2021.

<sup>34</sup> Ibid.

<sup>35</sup> Aboriginal women were assigned or accepted extra work assignments that were unpaid and not recognised, more than Aboriginal men. L Babcock et al, <u>Gender differences in accepting and receiving requests for tasks with low promotability</u>, American Economic Review, 2017, 107(3), accessed 2 November 2021.

<sup>36</sup> O Evans, *Gari Yala (Speak the Truth): gendered insights,* WGEA, Jumbunna Institute of Education and Research and Diversity Council Australia, 2021, accessed 1 November 2021.

# 3. Findings and Recommendations

# The Victorian Government is leading the nation with its commitment to self-determination and Treaty

The Inquiry commends Victoria's nation-leading approach to establishing the policy and legislative foundations to support Aboriginal people as key decision-makers for their communities.

In June 2018, the Victorian Parliament passed the Advancing the Treaty Process with Aboriginal Victorians Act 2018 (the Treaty Act), Australia's first treaty legislation.<sup>37</sup> The Treaty Act cements the commitment by the Victorian Government to advancing treaty with Aboriginal Victorians and embedding their voices in government decision-making.<sup>38 39</sup>

# The Victorian Government must prioritise filling the knowledge gap when it comes to Aboriginal Victorians' experiences in workplaces and communities

The lack of data about Aboriginal women's experiences, particularly in the workplace and during COVID-19, should be cause for concern. Understanding the intersectional experiences of Aboriginal women in Victoria is crucial to designing and implementing future supports and policy frameworks that address their needs and ambitions.<sup>40</sup>

The Inquiry recommends that the Victorian Government address these knowledge gaps as a priority. The data collected should focus on improving policy making and building culturally safe environments, services and workplaces. It is crucial that Aboriginal women are considered in Victoria's ongoing economic recovery.

### **()** Recommendation 29:

The Inquiry recommends that the Victorian Government:

Improve the collection and use of data about Aboriginal women in Victoria by:

- a. developing a qualitative and quantitative research grants program to fill knowledge gaps about the experiences and needs of Aboriginal women. Government can use this research to complete gender impact assessments as part of policy, program and service design
- b. supporting Victorian public sector workplaces to collect high-quality data about the workplace experiences of Aboriginal women under the *Gender Equality Act 2020*, including experiences of discrimination and caring responsibilities.

<sup>37</sup> In practice, self-determination means 'the transfer of power, control, decision-making and resources from government and the non-Aboriginal service sector to Aboriginal communities and organisations'. Victorian Government, <u>Victorian Government</u>. <u>Aboriginal Affairs Report</u>, 2020, page 20, accessed 16 November 2021.

<sup>38</sup> Victorian Government, Victorian Government Aboriginal Affairs Report, 2020, accessed 16 November 2021.

<sup>39</sup> The Inquiry notes the Victorian Government's commitment to the National Closing the Gap agreements effective 30 July 2020. In addition, the Victorian Government Aboriginal Affairs Framework (VAAF) sets out ambitious goals at a state level and acknowledges that Aboriginal Victorians hold the expertise and knowledge to determine what is best for their families and communities. Victorian Government, <u>Victorian Aboriginal Affairs Framework</u>, <u>2018 – 2023</u>, 2018, accessed 16 November 2021.

<sup>40</sup> S Hill, <u>A lack of intersectional data hides the real gender pay gap</u>, Women's Agenda, 2020, accessed 10 November 2021.

# Policy and programs for Aboriginal women should be developed by Aboriginal women

Koorie Women Mean Business identified three key principles to support the design of programs aimed at achieving economic equity for women:

- Appropriate community and cultural engagement that makes Aboriginal communities feel listened to and respected
- Seeking community 'buy-in', meaning community members are invested in the outcomes of the program and are involved in design, development, and delivery
- A localised program targeting the specific needs of different communities.

The Inquiry finds that Victorian Government policy and programs aimed at supporting economic equity for Aboriginal women must prioritise selfdetermination. Programs must be led, designed and implemented by Aboriginal communities.

Victoria already has the infrastructure in place to ensure services and programs for Aboriginal women are Aboriginal-led and developed in close consultation with Aboriginal-controlled organisations.

The Inquiry particularly wants to acknowledge the critical role played by Aboriginal community-controlled organisations (ACCOs) during the COVID-19 pandemic response in Australia.<sup>41</sup> ACCO leadership was essential for the dissemination of information on the COVID-19 pandemic and available support services, ensuring low rates of transmission during 2020.<sup>42</sup>

# **Q** Finding 22:

To be successful, policies, programs and services that support economic security for Aboriginal women need to be developed by Aboriginal communities, recognising that self-determination and treaty principles are key to successful outcomes. The Inquiry also wishes to acknowledge the work underway by the Department of Jobs, Precincts and Regions to establish a new Victorian Aboriginal Economic and Employment Strategy due to be released in early 2022.<sup>43</sup> The Inquiry supports the development of this strategy and recommends the Victorian Government allocate suitable and continued investment to support its successful implementation.

### **()** Recommendation 30:

The Inquiry recommends that the Victorian Government:

Support the implementation of the Victorian Aboriginal Employment and Economic Development Strategy, and ensure it addresses the needs of Aboriginal women.

# Aboriginal women's cultural loads must be recognised and valued

To support economic equity for Aboriginal women, the additional cultural load imposed on Aboriginal women in workplaces needs to be appropriately valued and compensated. This could include a loading payment like the loading received by workplace occupational health and safety officers in many workplaces across the state.

### Finding 23:

Aboriginal women's greater cultural load when in the workplace should be recognised and compensated.

<sup>41</sup> D Follet et al, *The Indirect impacts of COVID-19 on Aboriginal communities across New South Wales*, 2021, accessed 16 November 2021.

<sup>42</sup> Victorian Government, Victorian Government Aboriginal Affairs Report, 2020, p 12, accessed 16 November 2021.

<sup>43</sup> This strategy sets out the vision and key objectives of the Victorian Government to support economic equity for Aboriginal Victorian's and has been developed by community.

# 5.2

# Improving access to affordable housing for women in vulnerable circumstances

### **③** Finding 24:

The Victorian Government's significant investment in the Big Housing Build points to further opportunities to address housing inequality for priority cohorts of women. Options the Victorian Government can consider include:

- a. providing more safe, affordable, and accessible social housing for women in vulnerable circumstances focusing on priority groups such as older women, migrant women, women escaping family violence and single mothers
- b. developing alternative options for increasing affordable housing, including partnerships with industry as well as using inclusionary zoning to generate affordable rental housing for those on a very low income and 'key workers'
- c. developing new ways to encourage private investment in social housing for women. For example, encouraging a coalition for housing to be established and led by industry/super funds that government helps plan and oversee.

'Affordable, secure and well-located housing is fundamental to women's economic equity. Good Shepherd practitioners see the terrible impact of the housing crisis on women: sole parents who struggle to house themselves and their children, older women on the verge of homelessness or already living in unstable housing, and family violence survivors who cannot find an affordable place to rent after leaving an abusive relationship.'

Good Shepherd Australia New Zealand<sup>44</sup>

# 1. Introduction

Economic inequity, growing housing unaffordability and the low availability of social housing are increasing rates of housing insecurity and homelessness among Victorian women. The risk of housing stress and homelessness is particularly high for older women, single mothers, women escaping family violence, and women on low incomes.

The Inquiry commends the Victorian Government's significant investment to grow social and affordable housing through the Big Housing Build. The Inquiry finds that spending should have a strong focus on women who require priority housing support to address gender inequity.

# 2. Key issues

# Women are experiencing increased rates of homelessness and housing insecurity

Older women are one of the fastest-growing cohorts experiencing homelessness in Victoria.<sup>45</sup> The Housing for the Aged Action Group's submission to the Inquiry outlined the factors contributing to this concerning trend, which include the assumption of home ownership built into the retirement system which is becoming increasingly unlikely, particularly for single women, the wealth gap accumulated over a lifetime between men and women as a result of caring responsibilities and employment differences, and the lower superannuation balances of women.

44 Good Shepherd Australian New Zealand, Submission to the Inquiry into economic equity for Victorian women, 2021

45 Parliament of Victoria, Legislative Council Legal and Social Issues Committee, *Inquiry into homelessness in Victoria final report*, 2021, accessed 10 November 2021.

Housing is a critical enabler for victim-survivors of family violence. In their submission to the Inquiry, Good Shepherd highlighted that many victim-survivors return to perpetrators or become homeless after leaving an abusive relationship because they have nowhere affordable to live.

In their submission to the Inquiry, the Council of Single Mothers and their Children found that housing concerns have been a major issue for single mothers accessing their support line for the last decade.

Research and submissions to the Inquiry also highlight that housing insecurity and homelessness disproportionately impacts Aboriginal women and migrant women, particularly women on temporary visas who have limited access to welfare and other supports.<sup>46 47</sup>

In their submission to the Inquiry, Good Shepherd also raised concern about 'key workers' including educators, cleaners, and health and community sector workers, being increasingly unable to afford to live in proximity to where they work due to increasing rent and house prices and low wages. Women make up most of the workforce across these occupations.

# 3. Findings

# Affordable housing for priority cohorts of women is a major pathway to economic equity

Many stakeholders suggested the Victorian Government increase affordable housing options for women facing economic insecurity and disadvantage.<sup>48</sup>

### **③** Finding 24:

The Victorian Government's significant investment in the Big Housing Build points to further opportunities to address housing inequality for priority cohorts of women. Options the Victorian Government can consider include:

- c. providing more safe, affordable, and accessible social housing for women in vulnerable circumstances focusing on priority groups such as older women, migrant women, women escaping family violence and single mothers
- d. developing alternative options for increasing affordable housing, including partnerships with industry as well as using inclusionary zoning to generate affordable rental housing for those on a very low income and 'key workers'
- e. developing new ways to encourage private investment in social housing for women. For example, encouraging a coalition for housing to be established and led by industry/super funds that government helps plan and oversee.

<sup>46</sup> The Victorian Aboriginal Housing and Homelessness Framework reports that 17 per cent of Aboriginal people in Victoria sought assistance from a homelessness service in the year prior to the report's publication. Source: Aboriginal Housing Victoria, <u>The Victorian Aboriginal Housing and Homelessness Framework</u>, 2020, accessed 3 December 2021.

<sup>47</sup> Stakeholders include: McAuley Community Services for Women and the Victorian Multicultural Commission.

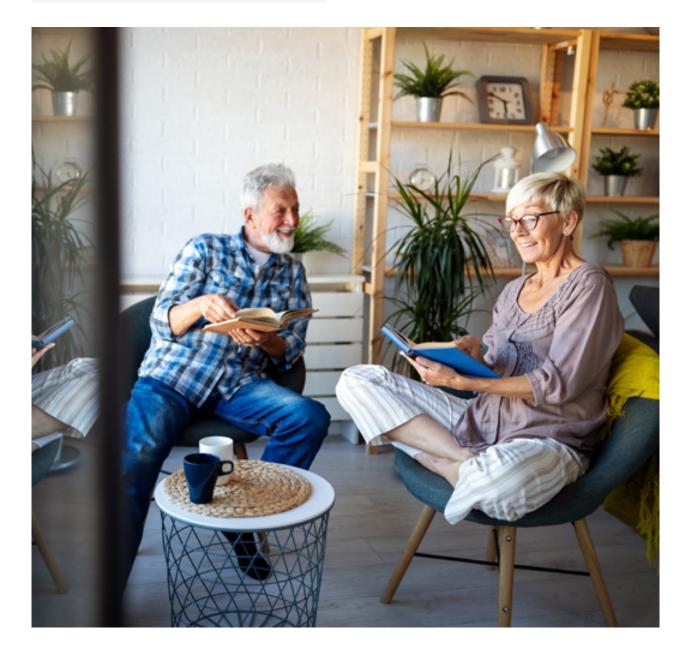
<sup>48</sup> Stakeholders include: Brotherhood of St Laurence, Gender Equity Victoria, Good Shepherd, Housing for the Aged Action Group, Dr Leonora Risse, McAuley Community Services for Women, Safe Steps, the Salvation Army, Social Ventures Australia, the Victorian Multicultural Commission, the Victorian Women's Trust, and WIRE.

# 5.3

# Improving women's economic security at retirement

## **③** Finding 25:

The Inquiry supports all of the recommendations in the Victorian Government Submission to the Commonwealth Government's Review of the Retirement Income System.



'There's no financially 'good time' for women to invest in themselves and their own future economic security. To reduce the retirement pay gap solely to a 'choice' narrative undermines the lived experience of women. This is because their 'choices' are typically in the context of what's best for the immediate or extended family, not necessarily women as individuals'.

The Future Face of Poverty is Female<sup>49</sup>

# 1. Introduction

The Inquiry is clear in its view that if Australia does nothing to shift the current trajectory of the superannuation gap between men and women, many thousands of Australian women will find themselves in poverty after a lifetime of unpaid or low-paid work. The Inquiry's recommendations across this report, including removing barriers to women's workforce participation and improving rates of pay and income potential, are aimed at increasing women's economic security across the life course and in turn achieving higher superannuation balances in the long-term.

Australia's retirement system requires significant reforms to improve women's economic security. Recognising that this is within the Australian Government's remit, the Inquiry recommends strong and persistent advocacy from the Victorian Government. The Australian retirement income system is based on three pillars: the Age Pension, the mandatory Superannuation Guarantee system and private savings. The Inquiry's focus is centred on the Superannuation Guarantee system, noting that the Age Pension could also be improved to support a higher standard of living among retirees.

The Superannuation Guarantee system was introduced in 1992 and is still maturing. The system requires employers to pay a prescribed amount on behalf of eligible employees. As of 1 July 2021, this is at a rate of 10 per cent increasing up to 12 per cent by July 2025.<sup>50</sup> Currently, to be eligible you need to be 18 years old or over and paid \$450 or more in a month.<sup>51</sup> The Inquiry welcomes the Australian Government's commitment to removing the threshold of \$450 a month from 1 July 2022.<sup>52</sup> This will go some way to tackling the superannuation gender gap, as women are more likely to be low-income earners or hold multiple jobs below the threshold.

<sup>49</sup> Australian Super and Monash University, The Future Face of Poverty is Female, 2018, accessed 2 November 2021.

<sup>50</sup> Australian Taxation Office, Super Guarantee rate rising 1 July [business bulletin], 2021, accessed on 2 November 2021.

<sup>51</sup> There are provisions for those under 18 years however, these are based on hours worked.

<sup>52</sup> Australian Taxation Office, <u>Removing the \$450 per month threshold for super guarantee eligibility</u>, 2021, accessed 2 November.

# 2. Key issues

Economic inequality over a woman's lifetime leads to a significant superannuation gender gap at retirement, with many women retiring into poverty and homelessness

The Superannuation Guarantee is tied to paid work and favours high-income earners who work full-time and continuously, without pauses or interruptions. The 2016 Australian Senate Inquiry into retirement incomes for women noted in their report that Australia's retirement income system does not adequately accommodate the differences between women and men's experiences of work. It also found that the Superannuation Guarantee is structurally designed to favour high-income earners, mostly men, who follow a standard linear career pattern. In this way, it contributes greatly to the superannuation gender gap.<sup>53</sup>

In their submission to the Inquiry, HESTA notes that:

'Australia has a sophisticated retirement system; however, its design rewards those with unbroken careers. Women typically move in and out of the workforce, face wage discrimination and live around five years longer than men, leaving a stark gender gap in retirement incomes'. Those who do not follow this pattern are much more susceptible to retirement poverty, especially women who are single, divorced or widowed.<sup>55 56 57</sup> As outlined in Chapter 5.2: *Improving access to affordable housing for women in vulnerable circumstances*, poverty in old age is contributing to older women's increased rates of homelessness. Older women have limited capacity to earn additional income to buffer against increasing housing costs, housing crisis or changes impacting their life and living circumstance.<sup>58</sup>

As this report has detailed, a number of factors contribute to women's economic inequality. On average, compared with men, women have lower wages, are more likely to work part-time, take more career breaks due to caring responsibilities, experience more barriers to workforce participation and progression including discrimination and gender violence, and experience worse financial impacts from divorce. These factors contribute to the gender gap in superannuation balances at retirement.<sup>59</sup>

Concerningly, the Australian Human Rights Commission found that women have significantly less money saved for their retirement – half of all women aged 45 to 59 have \$8,000 or less in their superannuation funds, compared to \$31,000 for men.<sup>60</sup> Similarly, in their report on the superannuation gender gap, KPMG found that close to retirement age, the superannuation gender gap can range between 22 per cent to 35 per cent.<sup>61</sup>

<sup>53</sup> The Senate Economic References Committee, <u>A husband is not a retirement plan: Achieving economic security for women in</u> <u>retirement</u>, Australian Government, 2016, accessed 2 November 2021.

<sup>54</sup> Australian Super and Monash University, *The Future Face of Poverty is Female*, 2018, accessed 2 November 2021.

<sup>55</sup> Industrial Relations Victoria, <u>Victorian Government Submission to the Commonwealth Government's Review of the Retirement</u> Income System, 2020, accessed 2 November 2021.

<sup>56</sup> S Hawkins, *Look to causes not the symptoms for supers gender gap: Vision's Darmanin*, Investor's Magazine, 2021, accessed 2 November 2021.

<sup>57</sup> Australian Super and Monash University, *The Future Face of Poverty is Female*, 2018, accessed 2 November.

<sup>58</sup> The National Older Women's Housing and Homelessness Working Group, <u>Retiring into Poverty: The cold reality of older women</u> and homelessness, submission in response to the House of Representatives Standing Committee on Social Policy and Legal Affairs Inquiry into Homelessness in Australia, submission 108, 2020, accessed 11 November 2021.

<sup>59</sup> Australian Government Treasury, 2021 Intergenerational Report, Australian Government, 2021, accessed 4 November 2021.

<sup>60</sup> Australian Human Rights Commission (AHRC), <u>The Gender Gap in Retirement Savings</u>, accessed 11 November 2021.

<sup>61</sup> At the National level, KPMG found that the median superannuation balance for men aged between 60-64 years is \$204,107 whereas for women in the same age group it is \$146,900, a gap of 28 per cent. They estimate during the peak earning years the gap is 35 per cent. KPMG, *The Gender Superannuation Gap: Addressing the options*, 2021, accessed 4 November 2021.

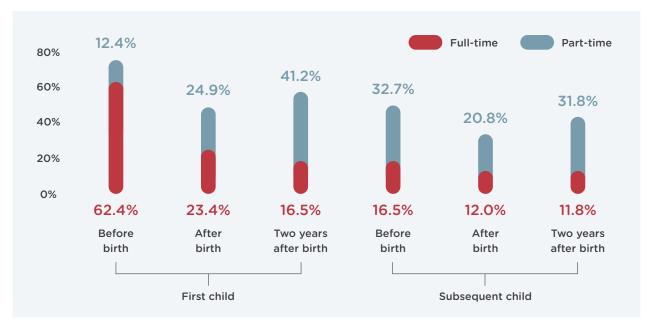
In Victoria, Industry Super Australia found that the gender gap widens to more than 30 per cent when a woman enters her 40s and reaches 38 per cent in her early 50s. Victorian women aged 60-64 had a median super balance of \$163,200, compared to Victorian men of the same age with \$229,400.<sup>62</sup>

# Paying superannuation on parental leave would go some way to reducing the gendered superannuation gap

Parental leave is a significant contributor to the gendered superannuation gap. Women who take parental leave and return to work part-time are subject to a double penalty effect on their superannuation balances. Time spent out of the workforce on parental leave combined with decisions to remain in, or find new, lower paid, casual and part-time jobs on return to work in order to manage caring, domestic and work responsibilities leads to women losing compounding returns from the lower accumulation of super. For mothers with more than one child, missing superannuation contributions per child can have a significant cumulative impact. Simulations show that a five- to six-year break from the paid workforce to raise children creates a 17 to 25 per cent drop in women's superannuation balances at retirement.<sup>63</sup> As a result, Victorian women aged 55–64 years are more likely to have inadequate superannuation coverage compared to men, and to experience poverty.<sup>64 65</sup>

Analysis from Australian Super and Monash University in their report *The Future Face of Poverty is Female* (Chart 15), shows that the percentage of women returning to work full-time after their first child drops substantially, but even more so after subsequent children.

Industry Super Australia analysis shows if super was paid on the Commonwealth Paid Parental Leave Scheme, a mother who had two children and a mother of one child would be \$14,000 and \$7,500 better off at retirement respectively.<sup>66 67</sup>



#### Chart 15: Labour Force Status of Women Before and After Children 2009 - 2014

Note: Chart data from Australian Super and Monash University, *The Future Face of Poverty is Female*, 2018.

62 Industry Super Australia, <u>Cutting super will send Victorian women's retirement savings into freefall</u>, 2021, accessed on 2 November 2021.

63 Rice Warner, <u>Retirement Savings Gap as at 30 June 2014</u>, 2014, accessed 11 November 2021.

- 64 J Daley and B Coates, Money in retirement, more than enough, Grattan Institute, 2018, accessed 11 November 2021.
- 65 AHRC, <u>The Gender Gap in Retirement Savings</u>, accessed 11 November 2021.
- 66 Industry Super Australia, Submission to the Inquiry into Economic Equity for Victorian Women, 2021.

67 Industry Super Australia assume a woman aged 25 now who has her first child at age 29 and her second at age 31 (based on some analysis of the ABS Survey of Income and Housing). Industry Super Australia assume she works until the 67th anniversary of her birthday (standard). Industry Super Australia used the Budget wage projections over the forecast period and three per cent thereafter. Industry Super Australia assume industry fund crediting rates of 6.92 per cent net of taxes and performance fees.

# 3. Findings

# The existing superannuation system does not adequately support women

The Inquiry supports the Victorian Government continuing to strongly and persistently advocate to the Australian Government for reforms to the retirement system to reduce the superannuation gender gap.

Industry Super Australia has inferred from the Australian Government's 2021 *Intergenerational Report* forecasts that the superannuation gender gap will persist for at least the next four decades unless serious and sustained action is taken.<sup>68</sup>

Several stakeholders to the Inquiry recommended reforming the Australian Government's Parental Leave Pay and Dad and Partner Pay schemes to encourage greater uptake and sharing of parental loads by dads/partners as well as extending the Superannuation Guarantee schemes to both paid and unpaid parental leave to help close the superannuation pay gap.<sup>69</sup> As a large employer of Victorians, the Inquiry also supports the Victorian Government providing for superannuation contributions across the Victorian public sector on both paid and unpaid parental leave up to a maximum of 52 weeks for each parent.

### **Q** Finding 25:

The Inquiry supports all of the recommendations in the Victorian Government Submission to the Commonwealth Government's Review of the Retirement Income System.

<sup>68</sup> Industry Super Australia, Submission to the Inquiry into Economic Equity for Victorian Women, 2021.

<sup>69</sup> Stakeholders include: Australian Services Union, CareSuper, Chief Executive Women, Professor Elizabeth Hill, Financy, Gender Equity Victoria, Grattan Institute, Health and Community Services Union, HESTA, Industry Super Australia, KPMG, Merri Health, Retail and Fast Food Workers Union, the Salvation Army, the Sex Discrimination Commissioner, SDA, and the Victorian Trades Hall Council.

### 5.4 Supporting women experiencing family violence

### **()** Recommendation 31:

Support services that assist women experiencing economic hardship due to family violence, including economic abuse, to meet demand.

### **Q** Finding 26:

All levels of government must continue to prioritise primary prevention of family violence. Effective prevention and early intervention programs can now be scaled up subject to successful evaluation.



'Victims of family violence are more likely than other women to experience financial difficulty and many women experience poverty as a result of family violence, regardless of their prior economic circumstances'

Economic Abuse Reference Group<sup>70</sup>

### 1. Introduction

Women's safety and economic security are intrinsically linked. Victim-survivors of family violence can experience financial hardship both through the financial costs of family violence but also through economic abuse.<sup>71</sup>

With deep concern, the Inquiry notes that all types of violence against women and girls, particularly domestic violence against women, have escalated across Australia through the COVID-19 pandemic. This escalation has been referred to by frontline service providers as the 'shadow pandemic'.<sup>72</sup> This is in line with research that has shown that natural disasters are a high-risk period for family and intimate partner violence due to increased stressors.<sup>73</sup>

The Victorian Government continues to lead the nation with its family violence reform agenda. The Inquiry acknowledges the over \$3 billion investment the Victorian Government has made to end family violence and progress gender equality since the 2016 Royal Commission into Family Violence, including \$521.6 million in the *2021-22 Budget*, which includes new investments to help Victorians from diverse backgrounds and more practical support for victim-survivors.<sup>74</sup>

However, given the rising incidence of family violence through the COVID-19 pandemic, the Inquiry has identified the need for additional investment in prevention, early intervention and response for women experiencing economic hardship as a result of family violence.

- 72 UN Women, The Shadow Pandemic: Violence against women during COVID-19, accessed 10 November 2021.
- 73 H Boxall and A Morgan, <u>Intimate partner violence during the COVID-19 pandemic</u>: A survey of women in Australia, ANROWS, 2021, accessed 10 November 2021.
- 74 Minister for Women and Minister for Prevention of Family Violence, <u>Putting the Safety of Victorian Women and Children First:</u> <u>Victoria Budget 2021-22</u> [media release], Victorian Government, 2021, accessed 10 November 2021.

<sup>70</sup> Economic Abuse Reference Group, <u>Responding to Financial Abuse – Full Report</u>, 2020, accessed 7 October 2021. Citing the <u>Royal Commission into Family Violence: Report and recommendations – Summary</u>, 2015, accessed 7 October 2021.

<sup>71</sup> J Kutin, R Russell, and M Reid, *Economic abuse between intimate partners in Australia: prevalence, health status, disability and Financial stress*, Australian and New Zealand Journal of Public Health, 2017, 41(3), accessed 8 November 2021.

### 2. Key issues

### The rates of family violence sharply increased during the COVID-19 pandemic

The Australian National Research Organisation for Women's Safety (ANROWS) conducted a survey of Australian women about intimate partner violence during the COVID-19 pandemic. They found that of those respondents that had been in a relationship for more than 12 months, a staggering 17.6 per cent experienced emotionally abusive, harassing and controlling behaviours for the first time, with financial abuse the most common behaviour in this category.<sup>75</sup>

This is consistent with what the Inquiry heard across consultations. Organisations on the frontline that provide services to women experiencing family violence noted the high demand for their services and challenges meeting demand within the existing resource allocation.<sup>76</sup>

For example, Good Shepherd noted in their submission to the Inquiry that the COVID-19 pandemic has challenged everything we know about family, domestic and sexual violence. As a frontline service provider, they have seen increases in the incidence and severity of all forms of violence. They have also seen an increase in the complexity of victim-survivor's needs, including mental health, housing, emergency funds (such as for asylum seeker clients who were ineligible for government financial support) as well as an increase in cases of elder abuse. Overall, Good Shepherd saw an increase of 23 per cent in client numbers, including a sharp increase of 68 per cent in the number of new clients from culturally and linguistically diverse backgrounds and an increase in clients with disability. The additional demand required a 53 per cent increase in casework time from staff and a 26 per cent increase in brokerage payments.

## Economic abuse is a form of family violence

Economic abuse is defined as behaviour that denies a person's economic or financial autonomy. It is threatened or actual behaviour that is coercive, deceptive or unreasonably controlling of another person's financial independence (or that of a person's child) without that person's consent.<sup>77 78</sup> This can include stopping someone from seeking or attending employment or school, forcing a partner to incur debts in their name, ruining their credit rating, or controlling a partner's credit cards, bank account and access to money. Perpetrators can force their victims to choose between staying in an abusive relationship or facing bankruptcy or homelessness.

<sup>75</sup> Australia's National Research Organisation for Women's Safety, <u>At a glance: Respondents' experiences of intimate partner violence</u> (*IPV) since the beginning of the COVID-19 pandemic* [Fact sheet], ANROWS, 2020, accessed 5 November 2021.

<sup>76</sup> Stakeholders include: Economic Abuse Reference Group, Good Shepherd, McAuley Community Services for women, and Safe Steps.

<sup>77</sup> J Sayer, <u>What is Economic Abuse.</u> Keypoint Law, 2020, accessed 8 November 2021.

<sup>78</sup> Victorian Legislation, Family Violence Protection Act 2008, 2021, accessed 8 November 2021.

### Family violence carries significant impacts on the health and financial wellbeing of victim-survivors

Family violence often has severe financial costs for women. In their submission to the Inquiry, McAuley Community Services for Women noted that experiences of family violence frequently undermined women's ability to get work and retain it, affecting their work histories. Consequently, women who have experienced family violence are more likely to be on lower incomes, have had to change jobs more often and are employed in higher levels of casual and part-time work. They also noted that perpetrators often intentionally disrupt their victim's work as a tactic to gain more control and compromise a victim-survivor's economic independence.<sup>79</sup>

Family violence is one of the single largest drivers of legal need and can result in a person having multiple and concurrent legal concerns related to family law, child protection law, criminal law, infringement law, migration law, consumer law and tenancy law. The Inquiry notes the work recently commenced by the Government to ensure victim-survivors can access legal advice at the same time as they access family violence support.<sup>80</sup>

The Inquiry understands that victim-survivors require access to free legal advice that spans across multiple areas of law as well as urgent financial assistance. However, organisations in this space are struggling to meet the exceptionally high demand for services, which has been made worse by the COVID-19 pandemic.

### Family violence also has significant economic costs for employers and governments

In addition to the personal health, wellbeing and social costs for victim-survivors, family violence comes with a very heavy economic cost for Victoria. KPMG estimated that family violence cost Victoria \$5.3 billion in 2015–16, and cost individuals and their families \$2.6 billion.<sup>81</sup>

## 3. Findings and Recommendations

### **③** Finding 26:

All levels of government must continue to prioritise primary prevention of family violence. Effective prevention and early intervention programs can now be scaled up subject to successful evaluation.

Early intervention programs are also working effectively. McAuley Community Services for Women offer a number of services to women experiencing family violence, including a program called 'McAuley Works', which aims to address barriers to entering or re-entering the workforce due to family violence. Of the 38 women that participated in a recent survey McAuley conducted, 100 per cent of respondents reported that employment helped them sustain their housing. Some women also reported that they would find themselves quickly homeless without their job.<sup>82</sup>

McAuley Community Services for Women in partnership with WEstjustice, a community legal centre, has adopted an early intervention model, 'Restoring Financial Security'. The model provides early legal help and advocacy and has led to over \$900,000 of debt and legal matters being resolved for 137 women, without the need for them to attend court.

<sup>79</sup> McAuley Community Services for Women, Submission to the Inquiry into economic equity for Victorian Women, 2021.

<sup>80</sup> The Inquiry notes the pilot currently underway to embed legal services into The Orange Door Network.

<sup>81</sup> KPMG, *The cost of family violence in Victoria: Summary Report prepared for Department of Premier and Cabinet in Victoria*, 2017, accessed 8 November 2021.

<sup>82</sup> McAuley Community Services for Women, Submission to the Inquiry into economic equity for Victorian Women, 2021.

### **()** Recommendation 31:

The Inquiry recommends that the Victorian Government:

Support services that assist women experiencing economic hardship due to family violence, including economic abuse, to meet demand.

The Inquiry acknowledges the many organisations across Victoria providing pivotal frontline services to women experiencing family violence. Many stakeholders recommended extra support and funding for these frontline family violence response services to meet the increased demand, especially for specialised legal and financial advisory services.<sup>83</sup>

### Economic abuse and financial hardship due to family violence remain significant issues for many Victorian women

The Inquiry has identified further opportunities for the Victorian Government to address economic abuse and financial hardship due to family violence. The Inquiry notes the current work underway by the Victorian Government to:

- embed financial and legal clinics such as the WEstjustice model across the family violence system to alleviate high levels of financial stress
- provide an exemption from the Legal Aid means test for victims of economic abuse with a commensurate increase in funding to respond to the likely increased case load
- expand access to specialist family violence lawyers and financial counsellors and deliver economic abuse casework in partnership with family violence support services.

This work is critical and must be prioritised.

While the Inquiry is focused on economic equity for Victorian women, it is important to note that children who have witnessed or experienced family violence also need access to specialised services. Without proper support, the long-term effects of trauma can follow children into their adulthood, worsening intergenerational economic insecurity.

The Inquiry acknowledges and commends the Victorian Government for their ongoing work and commitment to preventing family violence and supporting victim-survivors. However, many stakeholders in the sector highlighted the exceptionally high demand for services, especially with the compounding effects of the COVID-19 pandemic.<sup>84</sup> Additional funding is needed to meet the increased demand for services.

The Inquiry was pleased to hear that the Victorian Government is developing a workforce strategy that recognises the importance of a specialised and well-compensated workforce that supports women navigating family violence.

<sup>83</sup> Stakeholders include: Centre for Women's Economic Safety, Ethnic Communities' Council Victoria, Gender Equity Victoria, Good Shepherd, McAuley Community Services for Women, and Multicultural Centre for Women's Health.

<sup>84</sup> Stakeholders include: Centre for Women's Economic Safety, Gender Equity Victoria, Good Shepherd, Juno, McAuley Community Services for Women, and Safe Steps.



# Appendices

# Appendix A – Submissions to the Inquiry

Submissions to the Inquiry

Organisation	Stakeholder Type
AMES Australia	Community sector
Australian Services Union	Union
Australians Investing In Women	Not-for-Profit
Brotherhood of St Laurence	Community sector
Business & Professional Women	Advocacy group
Business Council of Australia	Advocacy group
Centre for Women's Economic Safety	Not-for-Profit
Chief Executive Women	Advocacy group
Circle In	Private sector
Council of Single Mothers and their Children	Community sector
Economic Abuse Reference Group	Community sector
Education Services Australia	Not-for-Profit
Equal Workplaces Advisory Council	Government
Ethnic Communities' Council of Victoria; Multicultural Centre for Women's Health (joint submission)	Community sector
Financy Pty Ltd	Private sector

Organisation	Stakeholder Type
Gender Equality Advisory Committee	Government
Gender Equity Victoria	Advocacy group
Global Institute for Women's Leadership, Australian National University	Academic
Good Shepherd	Community sector
Health and Community Services Union	Union
HESTA	Private sector
Housing for the Aged Action Group Inc.	Community sector
Industry Super Australia	Private sector
Juno	Community sector
KPMG	Private sector
Latrobe University, Associate Professor Andrea Carson	Academic
Life Patterns, University of Melbourne	Academic
Master Builders Victoria	Union
McAuley Community Services for Women	Community sector
Merri Health	Community sector
Minderoo Foundation Thrive by Five	Not-for-Profit
National Association of Women in Operations	Advocacy group
National Foundation for Australian Women	Advocacy group
Real Women are Leaders	Advocacy group
Retail and Fast-Food Workers Union	Union
RMIT, Associate Professor Afreen Huq	Academic
RMIT, Dr Fiona Macdonald	Academic
RMIT, Dr Leonora Risse	Academic
Safe Steps Family Violence Response Centre	Community sector
Sex Discrimination Commissioner, Kate Jenkins	Government
SisterWorks Inc.	Community sector

Organisation	Stakeholder Type
Social Ventures Australia	Not-for-Profit
The Australia Institute Nordic Policy Centre	Academic
The Salvation Army	Community sector
University of Melbourne, Associate Professor Irma Mooi-Reci	Academic
University of Melbourne, Future of Work Lab	Academic
University of Sydney, Associate Professor Elizabeth Hill	Academic
Victorian Council of Social Service	Union
Victorian Multicultural Commission	Government
Victorian Pride Lobby	Community sector
Victorian Trades Hall Council	Union
Victorian Women's Lawyers	Advocacy group
Victorian Women's Trust	Not-for-Profit
Whittlesea Community Connections Inc.	Community sector
WIRE	Advocacy group
Women Onside	Advocacy group
Women with Disabilities Victoria	Community sector
Women's Health Goulburn North East	Community sector
Women's Health in The North	Community sector

### Appendix B – Intragovernmental Reference Group

Participants to the Inquiry's Intragovernmental Reference Group

Organisation	Stakeholder Type
Department of Treasury and Finance	Inquiry Secretariat / IRG Co-Chair
Department of Families, Fairness and Housing	Office for Women / IRG Co-Chair
Department of Education and Training	Policy, Strategy and Performance Group
Department of Families, Fairness and Housing	Commission for Gender Equality in the Public Sector
Department of Families, Fairness and Housing	Office for Women and Office of the Prevention of Family Violence and Coordination
Department of Jobs, Precincts and Regions	Employment and Inclusion Group
Department of Jobs, Precincts and Regions	Office for Women in Sport and Recreation
Department of Jobs, Precincts and Regions	Small Business Victoria
Department of Justice, and Community Safety	Stakeholder Engagement, Intergovernmental Strategy and Inclusion
Department of Health	Health and Wellbeing, Aboriginal Health
Department of Premier and Cabinet	Industrial Relations Victoria
Department of Premier and Cabinet	Social Policy
Department of Treasury and Finance	Budget Strategy / Gender Responsive Budgeting
Department of Treasury and Finance	Service Delivery and Reform
Victorian Public Sector Commission	People and Analytics Branch

## Appendix C – Inquiry Panel Consultations

### Inquiry Panel Consultations (round one)

Organisation	Stakeholder Type
Australian Nursing and Midwifery Federation	Union
Australian Services Union	Union
ВНР	Private sector
Champions of Change Coalition	Advocacy group
Commission for Gender Equality in the Public Sector	Government
Council of Single mothers and their Children	Advocacy group
Department of Education and Training	Government
Department of Jobs, Precincts and Regions (Employment and Inclusion)	Government
Department of Jobs Precincts and Regions (Procurement)	Government
Department of Treasury and Finance (Strategic Sourcing)	Government
Equity Economics, Dr Angela Jackson	Academic
Ethnic Communities' Council Victoria	Community sector
Gender Equity Victoria	Advocacy group
Health and Community Services Union	Union
Lendlease	Private sector
Multicultural Centre for Women's Health	Community sector
Multiplex	Private sector
National Association of Women in Operations	Advocacy group
Ngarrimili	Community sector

Organisation	Stakeholder Type
Office for Women	Government
RMIT, Dr Leonora Risse	Academic
Shop, Distributive and Allied Employees Association	Union
The Front Project	Advocacy group
United Workers Union	Union
University of Melbourne, Dr Michelle Evans	Academic
University of Sydney, Associate Professor Elizabeth Hill	Academic
University of Sydney, Professor Marian Baird	Academic
Victorian Council of Social Services	Community sector
Victorian Chamber of Commerce and Industry	Advocacy group
Victorian Trades Hall Council	Union
Women with Disabilities Victoria	Community sector
Workplace Gender Equality Agency	Government

### Appendix D - Glossary

#### Care and community sector/work

Care and community sector/work is used as shorthand by the Inquiry to include the broad range of health and social services where women make up the majority of the workforce, including early childhood education and care (long-day care and kindergarten), disability support, aged care, hospitals, mental health, community health and other social and community services such as counselling, family support and youth work.

### **Economic equity**

Economic equity is concerned with how resources are shared across society based on fairness and need. Equity aims to have as close to equal outcomes in society as possible.

#### Gender-disaggregated data

Data that can be broken down based on gender to explore patterns or gaps between different genders.

#### **Gender segregation**

Gender segregation is the unequal distribution of the genders in certain occupations or industries, or in organisational hierarchies.<sup>1</sup>

Gender segregation can occur in different ways:

- Horizontal segregation occurs across industries and occupations. For instance, nearly 80 per cent of employees in the Health Care and Social Assistance industry are women.<sup>2</sup>
- Vertical segregation refers to the imbalance between women and men in leadership categories. For instance, men dominate leadership categories while women are concentrated in non-management roles.<sup>3</sup>

#### Intersectionality

The ways in which different aspects of a person's identity can expose them to overlapping forms of discrimination and marginalisation.

### Intersectional data

Data that can be broken down based on characteristics other than gender, including Aboriginality, ethnicity, religion, age, sexual orientation and disability to explore patterns or gaps between intersectional identity groups.

#### Majority-men industry

A majority-men industry has 60 per cent or more men in the workforce.

#### Majority-women industry

A majority-women industry has 60 per cent or more women in the workforce.

<sup>1</sup> Finance and Public Administration References Committee, <u>Gender segregation in the workplace and its impact on women's</u> <u>economic equality</u>, 2017, accessed 11 November 2021.

<sup>2</sup> Australian Bureau of Statistics (2021) 'Labour Force', Australia, Detailed, August 2021 quarter, EQ06

<sup>3</sup> Workplace Gender Equality Agency, <u>Submission – Senate Inquiry into Gender Segregation in the Workplace and its Impact on</u> <u>Women's Economic Equality</u>, submission 22, 2017, accessed 11 November 2021.

## Appendix E – Advice from Koorie Women Mean Business

In their advice to the Inquiry, Koorie Women Mean Business has identified key components needed for community-led employment programs to support Indigenous women entrepreneurs:

- a. There should be long-term, tailored, secure and adequate funding for programs/services focused on sustaining and growing business led by Indigenous women during pandemics and in recovery.
- Programs, services and related investments need to be directly delivered to women, instead of funding given to third-parties who then create their own submission process.
- c. If instituting support programs/initiatives, incorporate processes to independently evaluate their delivery (at regular intervals) to ensure they are meeting the needs of those they are meant to be supporting. Focus is especially needed for those businesses at the start-up phase.
- Assess policies and operations to ensure that they do not impede Indigenous women's entrepreneurship – this could be facilitated by a Board or Advisory group reporting to government.
- e. Build the profile and knowledge base of the wide range of diverse successful Indigenous women entrepreneurs by setting up a network/board/advisory group.
- f. Create more mentorship program opportunities by building meaningful relationships with potential Indigenous women mentors for Indigenous women and where possible matching them with those that are in their industry.
- g. Incorporate flexibility into support packages in the COVID-19 pandemic recovery phase that recognises the diversity of Indigenous women's business activity and provides practical assistance with applications.

- Establish data systems to identify and support Indigenous women entrepreneurs; and that enables Victoria to report accurately on its efforts to support Indigenous women in the COVID-19 recovery phase and longer-term.
- i. Develop longitudinal evaluations to better determine the impacts of the pandemic and recovery on Indigenous women in business.
- j. Provide childcare support packages and placements for Indigenous women entrepreneurs to facilitate the building of their businesses - so that they can attend training, network events, meet clients, and have dedicated hours at work.



The legal information below was not prepared as part of the original final report provided to the Victorian Government by the Inquiry into economic equity for Victorian Women – Inquiry Panel and has been included by the Department of Families, Fairness and Housing prior to publication.

### To receive this document in another format, **email** women.victoria@dffh.vic.gov.au

Written and prepared by the independent panel appointed for the Inquiry into economic equity for Victorian Women. Published by the Victorian Government, 1 Treasury Place, Melbourne.

© State of Victoria, Australia, Department of Families, Fairness and Housing, September 2022.

With the exception of any images, photographs or branding (including, but not limited to the Victorian Coat of Arms, the Victorian Government logo or the Department of Families, Fairness and Housing logo), this work, Inquiry into economic equity for Victorian Women Final Report January 2022], is licensed under a Creative Commons Attribution 4.0 licence.

The terms and conditions of this licence, including disclaimer of warranties and limitation of liability are available at **Creative Commons Attribution 4.0 International Public License** <a href="https://creativecommons.org/licenses/by/4.0/">https://creativecommons.org/licenses/by/4.0/</a>>

You are free to re-use the work under that licence, on the condition that you credit the State of Victoria, Australia (Department of Families, Fairness and Housing) as the author, indicate if any changes have been made to the work and comply with the other licence terms.

Except where otherwise indicated, the images in this document show models and illustrative settings only, and do not necessarily depict actual services, facilities or recipients of services. This document may contain images of deceased Aboriginal and Torres Strait Islander peoples.

In this document, 'Aboriginal' refers to both Aboriginal and Torres Strait Islander people. 'Indigenous' or 'Koori/ Koorie' is retained when part of the title of a report, program or quotation.

ISBN 978-1-76130-009-7 (online/PDF/Word)

Available at https://www.vic.gov.au/economic-equity-victorian-women-inquiry