

UNIONS NSW

**RESPONSE TO WOMEN'S
ECONOMIC OPPORTUNITIES
REVIEW**

MARCH 2022

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Introduction

Unions NSW's submission to the Women's Economic Opportunity Review focuses on all four of the Review's priority objectives in the Terms of Reference:

- Objective A: Support women to enter, re-enter and stay in the workforce, including options to improve the affordability and accessibility of childcare.
- Objective B: Create the opportunities and conditions for women to succeed in the workforce, including equity in the workplace such as reducing the gender pay gap and **improving women's leadership opportunities**.
- Objective C: **Improve women's economic security** throughout their lifetime.
- Objective D: Support female entrepreneurs to start and run their own business.

We also refer to the presentation by NSW Treasury at the Public Sector Union Consultative Forum (PSUCF) on 8 February 2022. At the PSUCF, NSW Treasury informed unions that the Review has a goal of ensuring the NSW Government is an employer of choice for women. We note while the Terms of Reference are about reform options that can be pursued by the NSW Government generally rather than as an employer, some of our recommendations will focus on reforms the NSW Government can pursue for its own employees in line with its goal of being an employer of choice for women.

We look forward to participating in the consultation and are happy to answer further questions and provide more information about the recommendations below.

Unions NSW
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Recommendation 1: NSW Gender Equity Audit Agency

We recommend a NSW Gender Equity Audit Agency be established as a statutory authority to oversee, evaluate, and report on progress toward women accessing economic opportunity.

The NSW Gender Equity Audit Agency will work closely with Womens NSW. The Agency will set standards, oversee implementation, evaluate for outcomes, and further develop options toward the goal of gender equality in NSW.

A vision, plan, targets, actions, responsibilities, evaluation process and next steps are critical to success. The Agency should be a statutory body tasked with setting targets, overseeing processes, measuring outcomes, monitoring adherence, reporting on achievements, and consulting with the NSW government, communities, unions, business and other stakeholders on further actions to realise gender equity.

This recommendation will meet Objectives A, B, C and D of the Review.

Recommendation 2: Comprehensive family and domestic violence leave and support entitlements

We recommend the NSW Government include in its family domestic violence leave and support entitlements additional best practice entitlements such as 5 days' supporter leave and access to behavioural change specialists for those who use violence.

1 in 6 women in the NSW workforce are or have experienced domestic or family violence. The cost of intimate partner violence to the Australian economy was estimated at \$8.1 billion. If no preventative action is taken, this cost is projected to rise to \$9.9 billion annually by 2021/22. \$235 million of this \$9.9 billion will be borne by employers and \$609 million will be borne in production-related losses.

We recognise the NSW Government introduced 10 days' paid domestic and family violence leave per calendar year from 1 January 2019 and has since provided its agencies with guiding principles on how to assist agencies to support NSW government sector employees who experience family and domestic violence.¹ These guiding principles provide for a workplace entitlement for all NSW Government employees and should be included in all relevant industrial instruments.

In our review of the entitlements and support available, we found that the supports for NSW government sector employees who experience family and domestic violence can be further strengthened by including:

- 5 days' paid supporter leave, for employees who support a family or friend experiencing domestic and family violence; and
- support for those who use violence to access to behavioural change specialists.

In addition, we recommend that the NSW Government joins Unions NSW in our push for *paid* family and domestic violence leave to be part of the National Employment Standards in the federal sphere.

This recommendation supports those whose lives are impacted by domestic and family violence to stay in the workforce, meeting all objectives of the Review, particularly Objectives A and B.

¹ NSW Government, Domestic and Family Violence Workplace Support Policy – Guiding Principles for Agencies (Version 1, 27 May 2019) <<https://www.treasury.nsw.gov.au/sites/default/files/2019-06/TC19-08%20Domestic%20and%20Family%20Violence%20Support%20with%20attachment.pdf>>

Recommendation 3: Comprehensive implementation of Respect@Work recommendations

We recommend the NSW Government implement the 55 recommendations contained in the Australian Human Rights **Commission's** Respect@Work report across all entities.

In addition, we recommend to the NSW Government **Unions NSW's** Gendered Violence Training Program as a preferred training program for NSW Government employees and managers on effective prevention and support strategies to reduce sexual harassment in the workplace.

Workplace sexual harassment causes long-term health effects for workers as well as impacting on their family and co-workers.² 1 in 2 women and 1 in 4 men experience sexual harassment in the workplace.³

The Respect@Work report provides 55 recommendations for reducing sexual harassment in the workplace. While the recommendations focus mainly on steps the Australian Government can take, there are several recommendations directed at state governments and most recommendations can be tailored for implementation at the NSW state level.

Implementation of the 55 recommendations in the Respect@Work report and effective training on prevention and support strategies to reduce sexual harassment will significantly contribute to practical outcomes to ensure all workers are physically and psychologically safe at work. This creates the opportunities and conditions for women to succeed in the workforce, meeting Objective B of the Review.

² See generally, SafeWork, *Hazards A-Z: Sexual harassment* (accessed 2 March 2022) <<https://www.safework.nsw.gov.au/hazards-a-z/sexual-harassment>>

³ See generally, Australian Bureau of Statistics, *Personal Safety, Australia* (8 November 2017) <<https://www.abs.gov.au/statistics/people/crime-and-justice/personal-safety-australia/latest-release>>

Recommendation 4: Sexual harassment and family and domestic violence policies and practices of suppliers

We recommend all government contracts require suppliers to have and promote in their workplace sexual harassment and family and domestic violence policies and practices. We also recommend the outcomes of these policies be publicly available.

All NSW Government contracts should require suppliers to have sexual harassment and family and domestic violence policies and practices in their workplace. These policies and practices should meet minimum requirements in terms of content, be **widely promoted in the supplier's workplace**, contain obligations to train those in the workplace who are tasked with assisting colleagues who are affected by sexual harassment and family and domestic violence, and contain a mechanism for public reporting of outcomes.

In using its purchasing power in this way, the NSW Government can ensure NSW public service standards, policies and practices are extended to more private sector workers. Supportive and appropriate workplace policies and practices assist women to escape and recover from violence and feel safe in their workplace, **thereby enabling women's continued participation in the workplace and economic security.**

Effective sexual harassment and family and domestic violence policies and practices in all workplaces create the opportunities and conditions for women to succeed in the workforce, meeting Objective B of the Review.

Recommendation 5: 24/7 childcare

We recommend 24/7 childcare centres be established in **accessible locations to increase women's capacity to** participate in shift work.

Many women in the health and essential services sector experience significant workplace disadvantage because they are not available for out-of-hours work due to childcare responsibilities. 24/7 childcare facilities located near hospitals and **in industrial areas will increase women's capacity to take** advantage of better paid shifts and engage in the workplace on more equal footing with those who do not have childcare responsibilities.

This recommendation will increase childcare options that **recognise the reality of women's working lives** and meet all objectives of the Review, particularly Objectives A and B.

Recommendation 6: Equal primary carer paid parental leave and superannuation

We recommend all parents be provided equal, adequate and shareable primary carer paid parental leave. We also recommend superannuation be paid on what a parent would have earned on ordinary income while on parental leave, whether that leave is paid or unpaid.

On average women retire with 40% less superannuation than men. There are two main factors:

1. the gender pay gap; and
2. many women leave the work force or work part time for extended periods to care for children.

These two factors have significantly contributed to the increasing numbers of older women living in poverty and experiencing homelessness.

It is estimated only 6% of men take primary parental leave.⁴ Equal, adequate, and shareable primary parental leave for both parents will begin to redress this economic disadvantage for women by increasing men's engagement in caring, balancing the financial impact of children between both parents, and increasing family capacity to have a parent at home with a child over an extended period.

We support the ACTU's call for adequate parental leave of a minimum of at least 26 weeks⁵ however, Unions NSW supports this period being lengthen to up to 52 weeks. Each parent should have access to this entitlement on a shareable or sequential basis.

This recommendation will support families in their caring role without financially disadvantaging women and meet all objectives of the Review, particularly Objectives A and B.

⁴ Australian Bureau of Statistics, *Gender Indicators, Australia* (Released 15 December 2020), Chapter 10: Work and family balance <<https://www.abs.gov.au/statistics/people/people-and-communities/gender-indicators-australia/latest-release#work-and-family-balance>>

⁵ Australian Council of Trade Unions, *Leaving women behind: The real cost of the Covid recovery* (2020), p 32 <<https://www.actu.org.au/our-work/policies-publications-submissions/2020/leaving-women-behind-the-real-cost-of-the-covid-recovery>>

Recommendation 7: Targeted TAFE and University courses during school hours

We recommend free TAFE and University courses targeting employment in high demand work opportunities be offered to women seeking to return to the workforce. Such courses to be offered during school hours.

Many women seeking to re-enter the workforce after a period of absence due to child caring responsibilities find their skills have become dated or an alternate career would better suit their circumstances. Training is often designed to suit industry requirements rather than school hours, is expensive and requires payment for childcare. For women who are not in the paid workforce these barriers can be insurmountable.

This recommendation offers options for women to update their skills or consider a new career once children have gone to school and meets Objectives A, B, C and D of the Review.

Recommendation 8: Scholarships for future women leaders

We recommend scholarships be made available to a diverse range of women to support them to develop their leadership capacity.

The scholarships should include, but not be limited to, women gaining experience across a diverse range of workplaces or industries, leadership training and mentoring.

Women are underrepresented in leadership roles. In 2019/20 women held 15% of Chair positions, 28% of directorships, 18% of CEO positions and 33% of key management roles.⁶ In February 2022, Australia was ranked 57th in the world for representation of women in federal politics,⁷ while at the NSW state level women represent 35.5% and 28.6% of members of the lower and upper houses of parliament respectively.⁸ We note women are better represented in the NSW public sector than in the above categories with **42.7% of the sector's senior leaders** being women. Nonetheless, as the Public Service Commission concluded, '[s]ustained effort will be needed to reach the target of gender parity [in the NSW public service] by 2025'.⁹

It is well documented gender diversity in leadership drives better business outcomes.¹⁰ These scholarships will support women in accessing leadership roles and play a part in the sustained effort required to redress the gender imbalance in leadership. This recommendation meets Objective B of the Review.

⁶ Workplace Gender Equality Agency, *Gender Workplace Statistics at a Glance* (August 2021) <https://www.wgea.gov.au/sites/default/files/documents/Stats_at_a_glance_AUG2021.pdf>

⁷ Inter-Parliamentary Union Parline, *Monthly ranking of women in national parliaments* (February 2022) <<https://data.ipu.org/women-ranking?month=2&year=2022>>

⁸ NSW Government, *NSW Gender Equality Dashboard: Women's representation in NSW government* (Web Page, 28 October 2021) <https://public.tableau.com/app/profile/women.nsw/viz/Electoralrepresentation_16232936729190/Dashboard1>

⁹ NSW Government Public Service Commission, *State of the NSW Public Sector Report 2021*, p 6 <<https://www.psc.nsw.gov.au/reports-and-data/state-of-the-nsw-public-sector/state-of-the-nsw-public-sector-report-2021>>

¹⁰ Workplace Gender Equality Agency, *Gender Equity Insights 2020 Delivering The Business Outcomes* (WGEA Gender Equity Series, Issue #5, March 2020) <https://www.wgea.gov.au/sites/default/files/documents/BCEC%20WGEA%20Gender%20Equity%20Insights%202020%20Delivering%20the%20Business%20Outcomes_WEB_FINAL.pdf>

Recommendation 9: Housing security

We recommend women in public housing be offered a loan or **'rent-to-buy'** arrangement to purchase their home using rent paid as a deposit.

Older women were the fastest growing cohort of homeless Australians between 2011 and 2016, increasing by over 30%.¹¹

Our recommendation will create opportunities for housing security for women who are at risk of homelessness due to violence, pay inequity or other sex and gender discrimination. To assist women in increasing their net worth and their housing security, the NSW Government can allow women in public housing to convert rent paid as a deposit on their home through a program loan provider. Subsequent repayment should be linked to **the person's** income. This will provide stable homes for children, increase housing stock turnover and ensure a capital base for women into retirement.

This recommendation meets all objectives of the Review, in particular, Objectives B and C.

¹¹ Australian Human Rights Commission, *Older Women's Risk of Homelessness: Background Paper: Exploring a growing problem* (April 2019), p 4 and generally <<https://humanrights.gov.au/our-work/age-discrimination/publications/older-womens-risk-homelessness-background-paper-2019>>

Recommendation 10: Remove the NSW public sector wages cap

We recommend the removal of the NSW public sector wages cap of 2.5% (inclusive of federal superannuation increases) and the repeal of section 146C of the *Industrial Relations Act 1996* (NSW) to enable pay equity and reasonable and fair increases to wages.

The NSW public sector is the largest employer in Australia with almost two-thirds (65.7%) of employees being women. This equates to about 283,400 women employees. The removal of the wages cap will allow for fair and reasonable increases for these employees, which has been lagging the federal Fair Work Commission (FWC) wage increases.

Since 2017, there has been a year-on-year increase in the gender pay gap for NSW Government employees. In 2017, the gender pay gap was below 1% or \$ 252.¹² In 2021, the gender pay gap increased to 4.1% or \$3,905¹³. In 2018, the Public Service Commission sought to explain this trend by attributing the widening gender gap 'to changes to the gender balance in lower paid roles, with fewer male than female employees in these positions'¹⁴, despite 'the number of females in higher salary ranges also increased.'¹⁵

The NSW Public Sector *Wages Policy* currently provides for a wages cap of 2.5%, inclusive of superannuation increases. This means in any year where there are federally mandated increases to superannuation, the actual wage increase is reduced. For example, in 2021, the 2.5% wages cap meant that the NSW Government provided a 2.04% increase in wages and 0.5% increase in superannuation.

Before 2011, the NSW Industrial Relations Commission (NSWIRC) could hear cases to determine a 'reasonable and fair' wage increase for employees.

¹² NSW Government Public Service Commission, *State of the NSW Public Sector Report 2017*, p 20 <<https://www.psc.nsw.gov.au/reports-and-data/state-of-the-nsw-public-sector/state-of-the-nsw-public-sector-2017>>

¹³ NSW Government Public Service Commission, *State of the NSW Public Sector Report 2021*, p 38 <<https://www.psc.nsw.gov.au/reports-and-data/state-of-the-nsw-public-sector/state-of-the-nsw-public-sector-report-2021>>

¹⁴ NSW Government Public Service Commission, *State of the NSW Public Sector Report 2018*, p 53 <<https://www.psc.nsw.gov.au/reports-and-data/state-of-the-nsw-public-sector/state-of-the-nsw-public-sector-2018>>

¹⁵ NSW Government Public Service Commission, *State of the NSW Public Sector Report 2018*, p 53 <<https://www.psc.nsw.gov.au/reports-and-data/state-of-the-nsw-public-sector/state-of-the-nsw-public-sector-2018>>

In 2011, the NSW Government, in legislating section 146C of the *Industrial Relations Act 1996* (NSW) (IR Act), removed the ability of the NSWIRC to decide on a reasonable and fair wage, especially where a reasonable and fair outcome should be above 2.5%.

In the 10 years to June 2021, the FWC awarded annual wage increases of an average of 2.75% per year which meant compounded wage increases of 31.1% over that period. In that same period, NSW public sector wage increases averaged 2.23% per year. This included a paltry 0.3% increase in June 2020 awarded by a NSWIRC (which was constrained by the Wages Policy) **overturning the NSW Government's wage freeze in the early days of the COVID-19 pandemic**. The NSW public sector compounded wage increase in those same 10 years were a significantly less 24.7%. This amounts to a 6.4% differential between federal and NSW public sector pay increases.

In removing the wages cap, the NSW Government will increase the wages of a significant number of women employees (283,400), thereby decreasing the gender pay gap and increasing economic opportunities for women. This recommendation meets all objectives of the Review, particularly Objectives B and C.