

Issues Paper

Workplace Flexibility increases Workforce Participation

“Flexibility, as with gender equality, is good for everyone”

October 2020

Workplace flexibility as a means to improve the economic security of women increases the opportunities for women to undertake an optimal amount of paid work. By applying workplace flexibility to the workforce universally, it will increase female workforce participation through a greater share in unpaid work and care.

In terms of paid work, many women work fewer hours than they would like and/or need, they undertake a disproportionate amount of unpaid care work and are absent in greater numbers than men from the workforce as a result of inflexibility in many work places.

The facts:

- The workforce participation of females is approximately 10 percentage points below males.
- The female underemployment rate is approximately 1.5 percentage points higher than for males.
- Women undertake 28 per cent fewer hours of paid work than men.

All of these imbalances lead into the persistent gender pay and superannuation gap. Increasing female workforce participation and hours of paid work would be enormously effective steps in closing these gaps.

The goal:

Increasing female workforce participation through access to accessible and affordable childcare, job sharing, corporate cultural change, societal change to attitudes on gender issues.

Any changes to workplace flexibility need to be implemented within the current workplace laws and rules – it does NOT mean offering unsociable, non-family friendly hours or workplace conditions.

What has changed:

COVID-19 has seen significant numbers of employers and employees embrace working from home. This flexibility is a positive for those able to do this. Working from home helps women and their partners undertake adjustable working hours which can lead to a greater sharing of unpaid household chores.

Affordable and accessible childcare enables parents to go to work. While changes to childcare rules over the past 15 years are welcome, further reforms are needed to further enhance workplace flexibility and female workforce participation.

The Benefit:

Flexible workforces improve the ability of employers to get the best talent – those women currently discouraged from the paid workforce are a loss of talent to companies/businesses and the economy.

Greater flexibility that encourages women (and men) to work will improve productivity and the performance of the economy.

Definition

“Workplace Flexibility”: A flexible work arrangement is an agreement between a workplace and an employee to change the standard working arrangement to better accommodate an employee’s commitments out of work. [WGEA 2020]

Resources:

- [Workplace Gender Equality Agency – Workplace Flexibility](#)
- [Developing a flexible working arrangements policy](#) [WGEA 2020]
- [The Flexible Work Playbook](#) [BEAM Australia 2020]

eS4W – Issues Paper
Childcare – affordable and accessible

“Women still undertake the ‘lion’s share’ of unpaid care”

The more parents of young children access childcare, the greater are the economic and financial benefits to women and to the economy as a whole. There is a huge volume of academic and other research from around the world that shows this to be the case. Affordable and accessible childcare also has a strong and significant positive long term impact on the economy in terms of higher workforce participation and stronger productivity.

In addition to the benefits to parents and women in particular, a well-structured childcare system is an economic reform that boosts productivity and is not a social welfare issue.

Increasing female participation in paid work and having more women utilising their skills and experience are vital steps in closing the gender pay gap and addressing the substantial shortfall in women’s superannuation balances

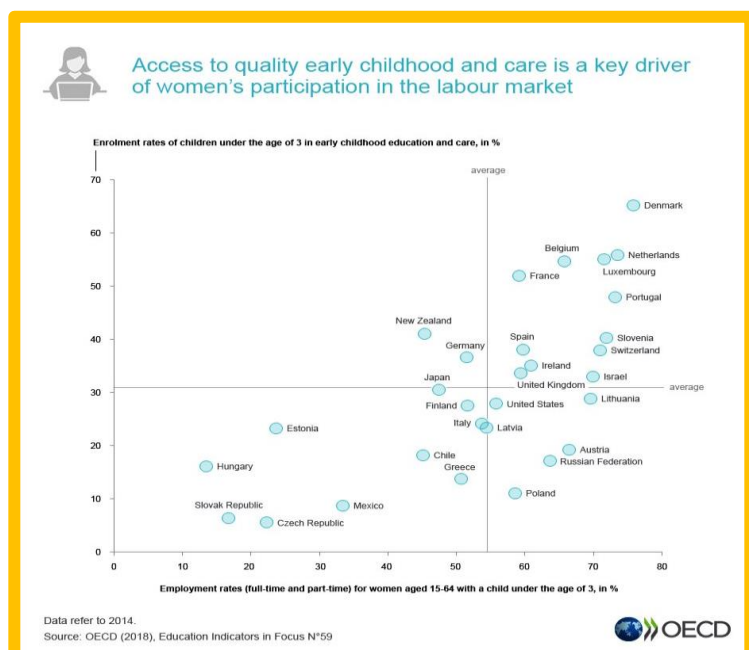
One reason for the gender superannuation gap in particular, but also for the pay gap, is the amount of time women spend out of paid employment relative to men to undertake unpaid care of their children. When women are not earning a wage, there are no contributions to their superannuation savings.

It is a similar issue with women working fewer hours and therefore having a lower total pay when they return to work after having children. Fewer hours of paid work often in lower income occupations, means lower superannuation contributions and subsequently balances.

Studies from the OECD show that across a range of diverse countries, childcare costs impact the ability of women to engage in paid employment.

There is a strong and unambiguous correlation between the level of out of pocket childcare expenses and female employment rates (see chart below). In broad terms, in those countries where more than 50 per cent of 0 to 3 year olds are in early education and childcare, the employment rate for women with children 0 to 3 years olds is around 70 per cent.

In countries with less than 20 per cent of 0 to 3 year olds in early education and care, fewer than 20 to 25 per cent of women with children in this age cohort are employed.



It is worth noting when judging the cost-benefit of government financial assistance for childcare and early learning, there are benefits to the children in the form of educational attainment and socialising with other children, both of which can improve their life skills.

Other studies show that these broad positive trends in terms of workforce participation for women are also evident for parents of children over 3 years old through to primary school age.

In addition to affordability of childcare, accessibility to childcare centres is a key aspect of further childcare reforms. This is across all geographic locations but is especially the case in regional and rural areas.

During the series of roundtable discussions conducted by eS4W since 2018, many participants noted that the geographic spread of childcare centres can be a further constraint for parents accessing childcare.

There were numerous examples where the nearest childcare facility was approximately a 30 minute round trip drive from their home and workplace for both the drop off and pick up. This imposed a significant time and expense cost in accessing childcare.

This means that an important facet of the policy strategy to improve and enhance the childcare system should include having an appropriate number of centres across diverse geographic locations including in regional areas and the cities.

eS4W agrees with the analysis that the provision of affordable and accessible childcare will be expensive for government budgets. eS4W also fully endorses the research that shows the benefits to the economy from the reforms are substantially greater than these costs, especially in enhancing the economic and financial security of Australian women whilst benefiting children with a safe and early education and developmental environment.

While the cost of government subsidised childcare is expensive, the cost of not providing it to the economic security of women and longer term economic growth in Australia is far greater.

Issues Paper

A gender lens on economic policy including in the budget October 2020

Policy reform is essential when addressing gender imbalances and improving the economic security and wellbeing of Australian women.

Policy changes are often made through legislation and the removal of impediments to women having the same opportunities as men in all aspects of work and society.

These changes are inevitably driven by strong, fact-based research and analysis that highlights what is often entrenched gender inequality and highlights the social and economic benefits of reform.

Changes also require policy makers to act in a constructive way. Complacency and/or a lack of information and knowledge from those able to bring about change has been a problem in delivering effective gender equality.

While change has been slow, it is important to recognise the progress to address structural gender inequality that has been achieved over time.

These achievements were greatly assisted by strong bipartisan advocacy in 1984 when Australia was the first country in the world to develop, apply and implement Gender Responsive Budgeting. This was tracked in the subsequent 30 years via the Women's Budget Statement (WBS) which continued until 2014.

The WBS was produced under the Hawke-Keating Labor Governments (1983-1996), the Howard Liberal-National Coalition Government (1996-2007) and the Rudd and Gillard Labor Governments (2007-2013). However, in 2014 under the Abbott Liberal-National Coalition Government, a WBS was not published despite major policy and budgetary changes outlined in the 2014-15 federal budget that had significant implications for gender equality and women's empowerment.

The Women's Budget Statement has not been produced since 2014.

This has been a concern to many women's groups and those looking to eliminate gender inequality. It suggests that advancing gender equality within the government has been downgraded in terms of a policy priority.

The Federal Government prioritising women's economic security is important to put actual reform on the agenda and to raise its profile in the public domain, it is essential for it to translate to actual policy change and improvements in women's financial wellbeing.

The need for policy reform is demonstrated through:

- The growing gender pay gap
- The superannuation gap
- Modelling the impact of accessible and affordable childcare and early years education on workforce participation and productivity.

While it is unclear exactly how the current COVID-19 pandemic will impact women's economic security there is evidence of a rise in hardship as a result of the recession.

Detailed analysis of the impact of COVID-19 on women would have been appropriate in the 2020 budget documents. This would have provided a policy framework to deal with these growing problems specific to women.

In terms of the reaction to the 2020-21 Budget handed down on 6 October 2020, there was a marked divergence of views by gender. According to the Westpac index of consumer sentiment released in the week after the budget, a net balance of +9.5 per cent of respondents judged that the budget would "improve their finances".

This was, overall, a strongly positive assessment of the budget.

There was, however, a remarkable disparity of views by gender.

A net balance of +21.9 per cent of males said that the budget would "improve their finances" while for females, there was a net balance of -3.7 per cent who felt the same.

This suggests that the consumer response to the budget strongly favoured men and actually worked against the financial interests of women.

While more work is needed to determine why there was such a gap, it may be because the income tax cuts favoured those on higher incomes which tend to be male.

Many of the stimulatory measures appeared to favour industries and professions with higher male employment and the paring back of the JobKeeper and JobSeeker payments may have a greater adverse impact on women than men.

Our recommendation would be to reinstate the publication of the Women's Budget Statement and further, to elevate issues enhancing the economic security of Australian women to a key policy narrative that monitors gender imbalances on a range of indicators and sets a framework on how to address these in both the short and medium term.