

CEW

Women Leaders
Empowering
All Women



Setting Gender *Equality Targets*

CEW Submission, 2024

ABOUT CEW

Chief Executive Women's (CEW) shared purpose is 'women leaders empowering all women'. CEW's over 1,200 members represent Australia's most senior and distinguished women leaders across business, health, academia, government, sport, the arts, and not-for-profit sectors. CEW's members have leading roles within Australia's largest private and public organisations. They oversee more than 1.3 million employees and \$749 billion in revenue. Members' organisations have a combined market capitalisation greater than \$1.14 trillion and contribute in excess of \$249 billion to Australia's GDP.

Since 1985 CEW has influenced and engaged all levels of Australian business and government to achieve gender balance. Through advocacy, research, targeted programs and scholarships, CEW helps to remove the barriers to women's progression and ensure equal opportunity for prosperity. CEW's members work actively to realise our vision of a community where women and men have equal economic and social choices and responsibilities.

To learn more about CEW, and how our team can support organisations' journey to gender equality, visit our website www.cew.org.au or contact us at cew@cew.org.au

We acknowledge the Traditional Custodians of the Country throughout Australian and pay our respects to their Elders past and present. CEW celebrates the diversity of First Nations peoples and their continuing connection to land, water, and community, and acknowledges the strength of First Nations women leading their communities. We extend that respect to Aboriginal and Torres Strait Islander people who are part of the CEW community.

MESSAGE FROM CEW

Alongside the Australian Government, CEW members are a force for change to advance Australia as a world leader on gender equality. As business and community leaders, CEW members seek to realise a vision of:

- Diverse women leaders at every decision-making table
- Women's workforce participation enabled across all sectors
- Women's economic security and freedom from violence throughout their lives
- Workplace flexibility for all genders to balance work and family care

CEW has commended the Commonwealth Government's consistent focus on advancing gender equality as foundational to our national prosperity, and welcomed the release of Working for Women. CEW welcomes the opportunity to provide a submission regarding the Workplace Gender Equality Amendment (Setting Gender Equality Targets) Bill 2024.

Procurement serves as a critical foundation for gender responsive budgeting, acting as a powerful lever for increasing female workforce participation across industries and organisational levels.

Gender responsive procurement is an avenue to leverage government investment, particularly in male-dominated sectors, to advance gender equality. This enables governments to effect sustainable and targeted gender equality interventions, rather than having to wait for gender equality in labour markets to improve.

With one of the OECD's most pronounced gender-segregated workforces, Australia can utilise procurement as a strategic tool to dismantle long-standing barriers and create more inclusive economic opportunities.

- Despite significant talent pools, women occupy merely 5% of top-level supply chain positions in Fortune 500 companies, highlighting systemic barriers to advancement
- The CEW Senior Executive Census found that advancing gender balance in Australia's top companies is stagnating.
- Fewer women CEOs in the ASX300
 - Only 25 women
- 82% of CEO pipeline roles are filled by men
- 20 companies have no women in their Executive Leadership Team

The Business Case for Gender Targets

The business case for gender targets is compelling:

Economic Impact:

- Dismantling gender barriers could boost Australia's GDP by \$128 billion
- Companies with gender-balanced leadership show:
 - 6.6% increase in market value (equivalent to \$104.7 million for ASX-listed companies)
 - Higher profits, stronger talent retention, better ESG outcomes and lower risk profiles
- Closing the gender gap could increase the global economy by 26%
- Halving the workforce participation gap between men and women would add 500,000 full-time skilled workers with post-school qualifications to the Australian workforce.

The Effectiveness of gender targets:

Research consistently shows that gender targets are one of the most effective tools for achieving gender equality in workplaces.

The CEW Senior Executive Census found that:

- Companies with gender targets are 3.6 times more likely to achieve gender balance in leadership
- Any target is better than no target – companies with targets below 40:40 were similarly likely to attain gender balance as those with higher targets
- Companies that were initially gender unbalanced (<30% women) but implemented targets were significantly more likely to achieve gender balance compared to those without targets
- The effectiveness of targets is independent of company size, though ASX100 companies are more likely to have set them

Implementation Success Factors:

- Clear accountability mechanisms with designated roles and responsibilities for implementing and monitoring gender-responsive procurement initiatives
- Regular reporting to leadership through structured frameworks that track progress, highlight achievements, and identify areas requiring additional attention
- Adequate internal resources to drive change, including dedicated staff, training programs, and sufficient budget allocation to support implementation efforts. WGEA should also be resourced to help organizations develop this capacity.
- Public transparency with clear timeframes, including detailed milestones, progress reports, and measurable outcomes that are regularly communicated to stakeholders
- Integration with broader organisational strategies to ensure alignment with corporate goals, sustainability initiatives, and long-term business objectives



Key RECOMMENDATIONS

- Establish clear accountability mechanisms with designated roles for implementing gender-responsive procurement
- Implement regular reporting frameworks to track progress and identify areas needing attention
- Allocate adequate internal resources, including:
 - a. Dedicated staff
 - b. Training programs
 - c. Sufficient budget
 - d. WGEA support for organisational capacity development
- Ensure public transparency with clear timeframes and measurable outcomes
- Integrate gender-responsive procurement with broader organisational strategies

Target Setting

- Implement gender targets, as companies with targets are 3.6 times more likely to achieve gender balance in leadership.
- Consider the successful public sector model, which increased women in senior executive roles from 26.8% to 50% over 20 years.

Government Leadership

- Leverage the government's position as a major purchaser to influence market practices and promote gender equality
- Use procurement as a strategic tool to address Australia's gender-segregated workforce rather than waiting for natural market evolution

Consider women in all their diversity:

Policy development must thoroughly address impacts on diverse groups:

- First Nations women and their unique cultural and economic perspectives
- Migrant and refugee women facing multiple barriers to economic participation
- Women with disability requiring inclusive workplace accommodations
- LGBTIQ communities and their specific workplace challenges
- Women in rural and remote communities dealing with geographical and resource constraints



Government as a Leader *In Gender Equality*

As one of Australia's largest purchasers of goods and services, the government has significant influence to shape market practices and promote gender equality. By implementing gender-responsive procurement policies, the government can create a ripple effect throughout the supply chain, encouraging businesses to adopt more inclusive practices and contribute to a more equitable society.

This approach enables rapid and targeted gender equality interventions, addressing Australia's highly gender-segregated workforce more effectively than waiting for natural market evolution. With the potential for improved financial performance, enhanced organisational reputation, and increased innovation that gender-inclusive procurement offers, implementing these changes promptly could set a powerful example for the private sector and drive a broader shift towards gender equality in Australian workplaces and society.

The government has already successfully engaged in this area:

The Australian government has implemented gender-responsive procurement through several key initiatives. The Victorian Gender Equality Strategy and Gender Equality Act (2021) demonstrate how these practices can be effectively embedded into everyday operations.

The Gender Equality Act mandates that public entities and local councils establish robust governance structures to advance gender equality. Organisations must develop Gender Equality Action Plans, conduct workplace gender audits, and report to the Commission for Gender Equality in the Public Sector. The Act also requires gender-ethical procurement policies for contracted organisations, suppliers, and funded agencies.



The West Gate Tunnel Project showcases these policies in action. Through their Women in Construction initiative, suppliers successfully attracted and retained women in project roles, meeting their target of engaging over 400 women in project delivery.

At the federal level, the Workplace Gender Equality Procurement Principles govern Australian Government procurements above certain thresholds. These principles require eligible tenderers to demonstrate compliance with the WGE Act.

The government continues to strengthen these measures by seeking stakeholder input on the WGE Procurement Principles. There is widespread support for clearer requirements that link WGEA reporting compliance to Commonwealth procurement eligibility.

While companies like HESTA have implemented effective gender-responsive procurement in the private sector, the government's role has been crucial in establishing policy frameworks and ensuring compliance through procurement processes.

Procurement as a means of addressing gender segregated workforces

Gender responsive procurement is a powerful tool to address Australia's highly gender-segregated workforce, which is one of the most pronounced among OECD countries. By carefully and deliberately awarding contracts to suppliers who demonstrate a genuine commitment to employing and promoting women in traditionally male-dominated industries, the government can play a pivotal role in breaking down long-standing occupational barriers and reducing persistent gender pay inequality.

This proactive approach enables the implementation of relatively rapid and highly targeted gender equality interventions, offering a more immediate impact compared to the slow and uncertain process of waiting for labour markets to naturally evolve towards greater equality over time.



AUSTRALIAN & INTERNATIONAL *BEST PRACTICE*

Success Stories in Australia

Victoria demonstrates leadership through its comprehensive framework:

- The landmark Gender Equality Act (2021) requires public entities to establish and maintain robust governance structures that actively promote gender equality
- The innovative West Gate Tunnel Project successfully exceeded its ambitious target, placing over 400 women in diverse delivery roles through its pioneering Women in Construction initiative

International examples demonstrate the effectiveness of targets and quotas:

- Norway increased board representation from 6% to 44% after implementing quotas, achieving a 29% increase in return on equity
- Belgium increased women's board representation from 8.2% to 34.1% between 2008 and 2020 through mandated targets
- Countries with mandated quotas (Italy and France) achieve higher women's board representation (42-45%) compared to Australia (35%)

United Kingdom

- The comprehensive Equality Act 2010 establishes and enforces public sector equality duties across all government operations
- Demonstrated successful implementation through the London Olympic Park construction project, setting new industry standards

Switzerland

- Progressive Federal Act mandates equal pay verification as a prerequisite for government contract bidding consideration
- Achieved significant impact: 50% of businesses implemented wage corrections for women, while 34% conducted comprehensive pay practice reviews



REFERENCE LIST

Academic and Policy Papers:

- WGEA Gender Procurement Insights
- KPMG Report on Budgeting Gender Equity
- UN Women Legal Frameworks for Gender-responsive Procurement
- OECD Selected Stocktaking of Good Practices for Inclusion of Women in Infrastructure

Government and International Organization Resources:

- European Institute for Gender Equality (EIGE) Gender Mainstreaming Tools
- Women's Empowerment Principles (WEPs) Guidance on Gender-responsive Procurement

Industry Reports and Articles:

- Femeconomy: "Gender Equality Procurement: It's Time for Government Targets"
- EY Report: "Advancing Women Owned Businesses in the COVID recovery"
- Femeconomy: "How Women Owned Businesses Impact Women's Economic Security"
- Kevin O'Marah, "It's time to put more women at the top of the supply chain", Industry Week, (October 2016) <https://wisecareerpathways.com/wp>

Additional Resources:

- OECD Library resources on gender procurement
- EU Neighbours East report on gender-responsive budgeting

