

The cost of coming back

Achieving a better deal for working mothers

October 2018

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Executive summary

Across the income scale, the interaction of the personal tax, family payments and childcare support systems is deterring Australian women with young children from participating more fully in the workforce.

KPMG Australia has developed a measure of these disincentives —

the Workforce Disincentive Rate (WDR).

This is the proportion of any extra earnings that is lost to a family after taking account of additional income tax paid, loss of family payments, loss of childcare payments and increased out-of-pocket childcare costs.

AWDR of 50 per cent indicates the family loses half the mother's extra earnings from increasing her hours of work, while a WDR of 100 per cent tells us the family is no better off from the mother working more hours. AWDR greater than 100 per cent reveals the family is actually worse off from the mother working additional hours.

Effective 2 July 2018, federal government childcare support received a commendable upgrade. The new Child Care Subsidy (CCS) lifts levels of support for families on lower and middle incomes compared with the Child Care Benefit and Child Care Rebate it replaced.

However, more by accident than design, many anomalies remain and new ones have been created. KPMG analysis finds WDRs of between 75 per cent and 120 per cent are commonplace for mothers seeking to increase their days of work beyond three per week.

If a couple with two young children in long day care both earn the minimum wage rate, the family is only \$929 per annum better off from the mother increasing her working days from three to four per week. On the extra day the mother is effectively working for just \$2.50 an hour.



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Further up the income scale, if the father earns \$80,000 per annum and the mother earns the part-time equivalent of a \$40,000 annual full-time wage, by increasing her working days from three to four per week she would add \$8,000 per annum to the household budget in gross terms, but only \$294 per annum after income tax paid, loss of family payments and CCS and extra out-of-pocket childcare expenses. This mother would be working for less than \$1.00 an hour on her fourth working day each week.

If the father earns \$80,000 per annum and the mother earns the part-time equivalent of \$80,000 per annum, by increasing her working days from four to five per week the mother's WDR is 90 per cent and she increases the family budget by less than \$5 per hour.

Consider a professional couple where the father earns \$100,000 per annum and the mother earns the part-time equivalent of \$100,000 per annum. By increasing her weekly working days from four to five, this mother costs the family budget in net terms more than \$4,000 per annum, losing \$85 every extra day she works. Her WDR is 120 per cent, indicating that she would cost the family budget 20 per cent more than she earned by moving from four to five days per week.

If a professional couple were both earning the equivalent of \$200,000 per annum, the mother would effectively be earning an extra \$2,005 a year by increasing her working days from three to four per week, facing a WDR of 95 per cent. She would be working for little more than \$5 per hour on those extra days of work.

In a household where the father is earning \$250,000 per annum and the mother is earning the part-time equivalent of \$150,000 per annum, the mother would cost the household budget \$1,524 per annum by increasing her working days from three to four per week. She would be losing more than \$31 a day by moving from three to four days per week. Her WDR is 105 per cent.

Of particular concern with the design of the CCS are two 'cliffs' that exacerbate the work disincentives facing younger working mothers. An annual cap applies to the CCS at higher income levels. If annual family income is greater than \$186,958, the CCS is capped at a fixed amount of \$10,190 per child.

At an annual family income of \$186,958, an extra dollar of family income for a couple with a child in long-day care for four or five days per week would send the family over a 'cliff' that would cause the CCS to plunge by as much as \$5,111 per annum.

A second cliff occurs at a combined annual family income of \$351,248 per annum. Beyond this income level the CCS terminates. If the mother earned just one dollar more, the family would go from receiving CCS equal to 20 per cent of the cost of childcare fees to receiving no CCS at all. This would cost the family almost \$6,000 for earning one extra dollar.

KPMG notes that the top personal income tax rate has been held below 50 per cent for the last three decades. Successive governments have judged that a marginal income tax rate greater than 50 per cent would create strong work disincentives and could be considered unfair. Yet KPMG's analysis reveals that working mothers often face WDRs much greater than 50 per cent, often above 75 per cent, and up to 120 per cent in some cases.

Ideally, KPMG would like to see modifications to the CCS that reduced women's Effective Marginal Tax Rates to below 50 per cent and Workforce Disincentive Rates to well below 100 per cent. However, this would involve a universal CCS and much slower phase-out rates for family payments.

Is a universal CCS fanciful? Not all government payments are means tested. Medicare, for example, is a universal system. Perhaps, in time, the CCS could be made universal.

Making the CCS universal — or at least reducing Workforce Disincentive Rates for women to well below 100 per cent — could be justified on the grounds of both equity and economic efficiency.

In equity terms, the interplay of the tax and transfer systems is aggravating the negative consequences of social biases against women. It is time to start rethinking equity with an increased focus on gender. Too often it is women, not men, who are called on to work part time or not at all, while men remain in full-time roles. It is for everyone, including employers, to challenge these norms.

KPMG considers Australia should move over time towards a different model of work, where, for example, fathers working full time can reduce their working days per week from five to four while mothers have the choice of increasing theirs from three to four, giving women better opportunities to maintain their career ambitions.

In the meantime, while societal changes are debated, modest reforms to the CCS could be made that offer potentially large returns to Australian society. KPMG's proposed first-stage modifications to the CCS involve counteracting the two cliffs by:

- Eliminating the per-child cap that comes into play at \$186,958 per annum; and
- Replacing the CCS's termination at \$351,248, with a phase-down rate of 1 percentage point for every \$3,000 of extra annual income earned.

KPMG estimates the maximum annual cost of its recommended modification to the CCS at \$250 million. However, it would be best if this cost estimate were to be refined by the Parliamentary Budget Office.

The prospective benefits of this modification are much greater than the cost. KPMG estimates the removal of these two 'cliffs' affecting mostly university-trained professional women would boost Australia's GDP by \$495 to \$773 million per annum.

KPMG estimates the national return on investment from reducing workforce disincentives facing professionally trained women is in the range of 100–210 per cent — a very attractive rate of return for any government investment proposal.

By reducing workforce disincentives facing professional, university-educated women, KPMG estimates its proposal would add up to 12 million working hours to the economy annually. This is the full-time equivalent of an additional 6,500 highly talented women in the Australian workforce.

KPMG considers the case for reducing work disincentives for mothers is not only an economic one; it is a matter of fairness. It would be an important step towards promoting gender equity in the workforce, making Australia not only more prosperous in the long run, but fairer for working women.

In parallel, KPMG believes there is a pressing need for the social norms that inhibit female workforce progression to be closely considered by society generally, including by employers. The acceptance that men should work full time while women sideline their careers is damaging our economic potential and social advancement.

A further KPMG report — the third in this series — will examine additional options for reducing workforce disincentive rates and improving gender equity in Australia.

KPMG's proposal would counteract some of the most egregious and distortive work disincentives for mothers, especially those that affect university-educated women with the potential to earn higher incomes and make a significant contribution to national economic prosperity.

However, KPMG recognises that fixing the 'cliffs' would not affect the numerous situations up and down the income scale where WDRs often approach and sometimes exceed 100 per cent for working women with young children. Without a major shift in the public policy philosophy underlying taxpayer-funded childcare support, these female workforce disincentives will persist.

By developing the notion of a WDR, KPMG's analysis has exposed the powerful workforce disincentives confronting mothers wishing to increase their hours of work.

The three workforce gaps disadvantaging women

In the first of a three-part series on gender issues in the workplace, KPMG's report Ending Workforce Discrimination Against Women found that Australia actively discriminates against women in the workforce by creating:



A pay gap

Australia's full-time gender pay gap is 15.3 per cent. Women who leave the workforce to have babies and rear them are obviously at a disadvantage in gaining promotions compared with men who remain in full-time work. A gender pay gap exists in all occupations, including those in which women dominate, such as health care and social assistance (22.8 per cent), education and training (11.3 per cent), and retail trade (8.1 per cent).²



An income gap

A combination of fewer lifetime working hours associated with women's child rearing, and lower hourly pay rates as a consequence of fewer promotions, results in a large difference in the incomes of women and men throughout their working lives. At age 30, the gender income gap is around 25 per cent, but during the peak earning decade up to the late-40s it opens up to 31 per cent.3



A superannuation payout gap

Since women on average earn less income than men over their lifetimes, they have less security in retirement. The superannuation payouts of women on average are only just over 60 per cent of those of men.4

Workforce discrimination against women is unfair and wasteful

As a society, we Australians have persisted with the attitude that men should be the primary breadwinners and women the primary carers of their children. We consider it normal that men take little or no time off work after their partners have given birth. Then, when the mother considers returning to work, the norm continues that the male will still be the primary breadwinner, working full time where a full-time job is available.

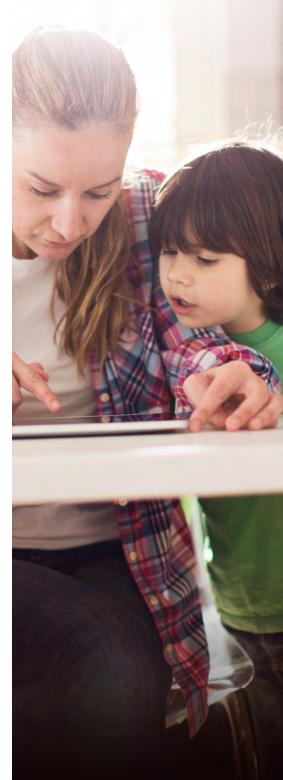
A different model could involve the father dropping back from five to four or even three days a week, caring for children the other days, and the mother gradually increasing her working days from three to four and eventually five days per week. Employer attitudes would need to change to accommodate these new family arrangements.

If child-rearing responsibilities were shared more evenly between mothers and fathers, the gender pay gap, income gap and superannuation gap would be greatly reduced.

Expecting women to do most of the caring is not only unfair it is also economically wasteful. In KPMG's previous report on gender equity, **Ending Workforce Discrimination** Against Women (2018), KPMG modelled the net benefits from halving the gap between female and male workforce participation rates over five years. The report estimated that over a 20-year period, Australian households would benefit by a massive \$140 billion.

Australian society invests heavily in the education of women. Of all women in the 25-29 years age bracket, 40 per cent have completed higher education. compared with just over 30 per cent of men in the same age bracket.5 Women comprise 57.5 per cent of higher education enrolments in Australia.6

If women wishing to return to work after having children face punitive financial disincentives from doing so, Australia is missing out on returns from investments it makes in women's higher education.



⁵ ABS (2017).

⁶ See Workplace Gender Equality Agency (2018b).



How Australia's tax and income support system penalises women's workforce participation

Australia's personal income tax system is based on the individual whereas its family tax benefits and childcare systems are based on joint parental income. When a mother is considering returning to work, or working extra days per week, her partner's income penalises her eligibility for family tax benefits and childcare subsidies.

When a mother is contemplating returning to work after having a baby, or increasing her hours of work from part-time to full-time work, she and her partner will want to know by how much the household budget is improved.

Specifically, they will take account of:

- Her own marginal personal income tax rate:
- The loss of the household means-tested family tax benefit;

- The loss of the household means-tested CCS: and
- The increase in childcare expenses.

If the boost to the household budget after taking account of these four factors is small or even negative, the mother might be deterred from re-entering the workforce or from increasing her hours of work. Or she might decide that, despite these big work disincentives, she will work for very little take-home pay just to re-engage with the world of work, ensuring she does not lose workforce skills or is overlooked for promotions.

It is unfair that women are often put in a position of having to work for little or nothing just to retain their connection with and skills in the workforce when men typically face no such obstacles.

The Child Care Subsidy (CCS)

From 2 July 2018 the new CCS came into force, replacing the old Child Care Benefit and the Child Care Rebate. The CCS, like the Child Care Benefit it supersedes, is means tested according to family income. The CCS is expressed as a percentage of either the hourly childcare fee paid to the family's childcare provider or of an hourly cap rate, whichever is lower.

An annual cap applies to the CCS at higher income levels. If annual family income is \$186,958 or less, there is no cap. But if annual family income is greater than \$186,958, the CCS is capped at a fixed amount of \$10,190 per child.

In addition to an annual cap, an hourly cap rate applies, to weaken the incentive for childcare providers to simply increase their fees at taxpayers' expense. Different hourly cap rates apply to different types of childcare.

The CCS improves the position for some families relative to the government support that was available under the Child Care Benefit and the Child Care Rebate. For example, for some families the per-child cap can be more than 30 per cent higher than was the case under the old arrangements.

Measuring workforce disincentives

The conventional measurement of the disincentive to work from the interaction of the personal tax and income support systems is the Effective Marginal Tax Rate (EMTR). This is the decision maker's marginal income tax rate plus the rate at which any income support payments are phased out. To take a hypothetical but realistic example, suppose a mother of a child of childcare age is working three days a week for the part-time equivalent of a full-time income of \$80,000 per annum. This working mother's gross income is three-fifths of \$80,000 per annum, which is \$48,000 per annum. Her partner has an income of \$80,000 per annum.

Her marginal income tax rate (including Medicare levy) will be 34.5 per cent, meaning if she increases her workload by one day a week, she will lose in tax 34.5 cents of every extra dollar she earns. In addition, she will also face a reduction in the average daily CCS for the three days' childcare she was already using.

These effects are summarised in Table 1.

Table 1: Example of a mother's Effective Marginal Tax Rate

For every extra \$1 earned from going from three to four days per week				
Amount lost to income tax	32.5 cents			
Amount lost to the Medicare Levy	2.0 cents			
Amount lost to decreased average daily rate of CCS	6.0 cents			
Total	40.5 cents			

As a consequence of this mother working extra hours, her household loses 40.5 cents of every extra dollar she earns. Her EMTR of 40.5 per cent is higher than her marginal income tax rate (including Medicare levy) of 34.5 per cent.

However, the EMTR is only part of the story. In working extra hours, the family will bear additional out-of-pocket childcare costs after taking account of any extra government childcare payments. After adding these additional costs, and any extra travel costs associated with transporting children to and from childcare, any improvement in the family budget will be even smaller than is captured by the EMTR.

A more accurate measure of the loss to the family budget of a mother working extra hours per week is her Workforce Disincentive Rate (WDR). This is the proportion of any extra dollar earned that is lost to the family after taking account of additional income tax paid, loss of family payments, loss of childcare subsidy and increased out-of-pocket childcare costs. It would also include any extra travel costs associated with taking children to and from childcare.

The Workforce Disincentive Rate (WDR) = the proportion of any extra dollar earned that is lost to the family after taking account of additional income tax paid, loss of family payments, loss of childcare subsidy and increased out-of-pocket childcare costs.

AWDR of 50 per cent indicates that the family loses half of the mother's hourly earnings from increasing her hours of work. AWDR of 100 per cent indicates that the family is no better off in net terms from the mother increasing her hours of work, while a WDR of greater than 100 per cent reveals the family is actually worse off from the mother increasing her hours of work.

Evaluation of Child Care Subsidy

The WDRs facing women in households at various income levels are set out in Table 2. In all cases the couple has two young children in long day care.

Table 2: Workforce Disincentive Rates at various household incomes

Primary carer workdays per week	Secondary carer income (full time)	Primary carer income (pro rata)	Gross increase in family income	Increase in income tax plus FTB phase-out	Increase in out-of-pocket childcare expense	Net income/ (loss) on each extra day worked	WDR
Example 1	FTE: \$37,500	FTE: \$37,500					
3 days	\$37,500	\$22,500	-	-	-	-	
4 days	\$37,500	\$30,000	\$7,500	\$4,496	\$2,075	\$17.87	88%
5 days	\$37,500	\$37,500	\$7,500	\$3,133	\$3,299	\$20.54	86%
Example 2	FTE: \$80,000	FTE: \$40,000					
3 days	\$80,000	\$24,000	-	-	-	-	
4 days	\$80,000	\$32,000	\$8,000	\$2,693	\$5,013	\$5.65	96%
5 days	\$80,000	\$40,000	\$8,000	\$2,040	\$5,136	\$15.85	90%
Example 3	FTE: \$80,000	FTE: \$80,000					
3 days	\$80,000	\$48,000	-	-	-	-	
4 days	\$80,000	\$64,000	\$16,000	\$5,760	\$6,972	\$62.85	80%
5 days	\$80,000	\$80,000	\$16,000	\$5,560	\$8,808	\$31.38	90%
Example 4	FTE: \$100,000	FTE: \$100,000					
3 days	\$100,000	\$60,000	-	-	-	-	
4 days	\$100,000	\$80,000	\$20,000	\$7,000	\$7,828	\$99.46	74%
5 days	\$100,000	\$100,000	\$20,000	\$7,500	\$16,582	(\$78.50)	120%
Example 5	FTE: \$200,000	FTE: \$200,000					
3 days	\$200,000	\$120,000	-	-	-	-	
4 days	\$200,000	\$160,000	\$40,000	\$15,600	\$22,395	\$38.56	95%
5 days	\$200,000	\$200,000	\$40,000	\$17,450	\$12,480	\$193.65	75%
Example 6	FTE: \$250,000	FTE: \$150,000					
3 days	\$250,000	\$90,000	-	-	-	-	
4 days	\$250,000	\$120,000	\$30,000	\$11,700	\$19,824	(\$29.31)	105%
5 days	\$250,000	\$150,000	\$30,000	\$11,700	\$12,480	\$111.92	81%

Example 1:

Both parents on the minimum wage

If the father is working full time on the minimum wage of around \$37,500 per annum and the mother is on the part-time equivalent of the minimum wage and is contemplating increasing her working days from three to four per week, the mother faces a WDR of 88 per cent. This means the family loses 88 per cent of her extra \$7,500 in income. She faces a similar WDR, of 86 per cent, if she contemplates moving from four to five days of work per week.

Example 2:

Father working full time for \$80,000 per annum, mother earning part-time equivalent of \$40,000 per annum

By working three days per week, the mother would earn \$24,000 per annum, the part-time equivalent of a full-time income of \$40,000 per annum. If she increases her working days from three to four, her WDR is 96 per cent, and is 90 per cent from increasing her working days from four to five per week. This family is virtually no better off if the mother decides to increase her working days beyond three per week.

Example 3:

Both parents earning the equivalent of \$80,000 per annum

If the father is working full time for \$80,000 per annum and the mother is earning the part-time equivalent of \$80,000 per annum, her WDR from moving from three to four working days per week is 80 per cent, which means the family loses four-fifths of her extra day's pay. If she moves from four to five days per week, her WDR is 90 per cent, so the family keeps only 10 per cent of her extra earnings.

Example 4:

Both parents earning the equivalent of \$100,000 per annum

The father earns \$100,000 working full time, while the mother earns \$60,000 per annum working three days per week. For this professionally trained couple, the mother's WDR from moving from three to four days of work per week is 74 per cent. If this professionally trained mother were to increase her working days from four to five per week, she would face a WDR of 120 per cent, meaning the family budget would shrink by 20 cents for every extra dollar she earned on the fifth day, making the household financially worse off by \$4,082 a year. This working mother would cost the family budget \$85 each week.

Example 5:

Both parents earning the equivalent of \$200,000 per annum

The mother grosses an extra \$40,000 per annum from moving from three to four days per week. However, after taking account of extra tax paid, loss of CCS and increased out-of-pocket childcare expenses, she adds only \$2,005 to the annual household budget. She is effectively working for \$5.20 per hour.

Example 6:

Father working full time for \$250,000 per annum, mother earning full-time equivalent of \$150,000 per annum

If the professionally trained mother in these family circumstances increases her days of work from three to four per week, she will cost the family budget \$1,524 per annum, losing around \$4 for each extra hour she works. Her WDR is 105 per cent.



The CCS 'cliffs'

At an annual family income of \$186,958, an extra dollar of family income would bring the CCS's per-child cap into play. This family, with a child in long-day care, would receive CCS equal to the lesser of 50 per cent of its childcare costs, or \$10,190 per annum. If this family had a child in long-day care for four or five days per week, an extra dollar of income would send it over a 'cliff' that would cause the CCS to plunge by as much as \$5,111 per annum.

A second cliff occurs at a combined annual family income of \$351,248 per annum. If a family with an income of \$351,248 earned just \$1 more per annum, it would go from receiving CCS of 20 per cent of the cost of its childcare fees to receiving no CCS at all. This could cost the family almost \$6,000 for earning \$1 extra.

As Table 2 shows, WDRs can range from 80 per cent to 96 per cent in many common family situations, and can actually rise to 120 per cent where these CCS cliffs take effect.

Rethinking equity

When discussing equity, we usually think in terms of those who are financially better off and those who are worse off, or put simply, the rich, the poor and the middle. Australians support a social safety net, such that the poor receive income support payments, but generally do not favour taxpayer-funded income support payments for the well off. In fact, Australia is considered to have the most tightly targeted income support system in the western world.

However, we haven't given as much thought to gender equity. By phasing out income-support schemes at higher incomes, and basing the means tests not on individual income but on household income, we have inadvertently impeded women seeking to return to the workforce, or to increase their hours of work, after having babies and rearing them.

KPMG argues that in addition to the conventional notion of vertical equity based on income or wealth, the notion of gender equity should be central to public policy design.

Not all government benefits are means tested. Medicare has been a universal scheme since its inception. However, the public is likely to consider universal childcare payments to be unjustifiable, with very high-income earners receiving the same payments as women on low incomes.

Modifying the CCS

KPMG's suggested first-stage modifications to the CCS are summarised in Table 3. These modifications would counteract the 'cliff' in the reduction in CCS that occurs due to the per-child cap at \$186,958 per annum and the elimination of the subsidy at family incomes above \$351,248 per annum.

KPMG believes that it is good policy for the WDR to be well below 100 per cent for all parents who are seeking to increase their working hours.

This proposal would counteract some of the most distortive WDR outcomes that affect university-educated women, who have the potential to earn higher incomes and make a significant contribution to national income growth. However, eliminating the two cliffs will not affect the situation where WDRs exceed 50 per cent for women at lower income levels, and without a change in the design of the CCS, this situation will persist.

Table 3: Comparison of current CCS and KPMG proposals

Family income	Current state — CCS amount	KPMG proposal — CCS amount	Estimated benefit — 1 child, 4 days p/w	Estimated benefit — 1 child, 5 days p/w
\$171,958 to \$186,958	50%	50%	-	-
\$186,959 to \$251,247	50% (capped at \$10,190)	50% (no cap)	Maximum of \$2,051 per annum	Maximum of \$5,111 per annum
\$251,248 to \$341,247	Reduces 1% for every \$3,000 extra income (capped at \$10,190)	Reduces 1% for every \$3,000 extra income (no cap)	Benefit reduces from \$2,051 to nil once income reaches \$275,248.	Benefit reduces from \$5,111 to nil once income reaches \$299,247.
\$341,248 to \$351,247	20%	20%	No benefit	No benefit
\$351,248 or over	Nil	Reduces 1% for every \$3,000 extra income (no cap)	Benefit reduces from maximum of \$4,652 per annum to nil when income reaches \$408,248.	Benefit reduces from maximum of \$5,814 per annum to nil when income reaches \$408,248.

Cost and benefits of modifying the CCS

KPMG estimates that 125,000 households could be favourably affected by the removal of the two cliffs confronting women that create WDRs in excess of 100 per cent.

KPMG estimates its proposals to eliminate the two cliffs would cost no more than \$250 million in additional annual CCS expenditure. It would be in the best interests of sound policy making for this estimate to be refined by the Parliamentary Budget Office.

However, the benefits of this modification are potentially much greater than the cost. KPMG has considered a range of possible responses by working mothers to removing the two cliffs in the CCS arrangements. At the low-response end of the range, it is assumed that 8 per cent of working mothers take on an extra day of work per week and a further

4 per cent take on an extra two days of work per week. In the high-response scenario, 15 per cent of women are assumed to take on an extra day of work per week and a further 5 per cent take on an extra two days per week.

Table 4 summarises the estimated national economic benefits arising from women increasing their workforce participation in response to KPMG's proposal to remove the two 'cliffs' in the CCS.

Table 4: Estimated increase in GDP from KPMG's first-stage proposal to modify the CCS

	(\$m per annum)
Low response — average labour productivity	396
High response — average labour productivity	618
Low response — average labour productivity + 25%	495
High response — average labour productivity + 25%	773

Source: KPMG estimates

In the low-response scenario, the estimated increase in GDP from removing the two cliffs is \$396 million per annum, while the estimated gain in GDP from the high-response scenario is \$618 million per annum.

But do the women affected by the two cliffs have average labour productivity? We are dealing with professionally trained women with a university degree or its equivalent. We can assume conservatively that the productivity of these women is 25 per cent greater than average labour productivity.

Where the women affected by the two 'cliffs' are of above-average labour productivity, the economic gains from incentivising additional days of work are much greater. In the low-response scenario, the annual addition to GDP from removing the two cliffs is estimated at \$495 million. In the high-response scenario, it is estimated at \$773 million per annum.

In realistic circumstances of university-educated women being affected by the two cliffs in the CCS, KPMG's proposal to remove these cliffs would boost Australia's GDP by \$495-773 million per annum.

Compared with an estimated cost of \$250 million per annum, these are large economic returns of 100-210 per cent per annum — a very attractive rate of return for any government investment proposal.

KPMG estimates the national return on investment from reducing workforce disincentives facing professionally trained women is in the range of 100-210 per cent.

KPMG considers the case for reducing work disincentives for mothers is not only an economic one; it is a matter of equity. The low-response scenario results in women contributing an estimated 7.7 million additional hours per annum to the national workforce, while the high-response scenario results in women adding 12 million working hours to the workforce. This would be an important step towards promoting gender equity in the workforce, and would make Australia not only more prosperous in the long run, but fairer for working women.

KPMG estimates that its proposal would add the full-time equivalent of up to 6,500 highly talented women to the Australian workforce.

In parallel, KPMG believes there is a pressing need for the social norms that inhibit female workforce progression to be closely considered by society generally, including by employers. The acceptance that men should work full time while women sideline their careers is damaging our economic potential and social advancement.

A further KPMG report — the third in this series — will examine additional options for reducing workforce disincentive rates and improving gender equity in Australia.

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October 2018. 275771373DTL.