



9 March 2022

Women's Economic Opportunities Review
Treasury
NSW Government

Dear Sir/Madam

IAG welcomes the opportunity to contribute to the NSW Government's Women's Economic Opportunities Review.

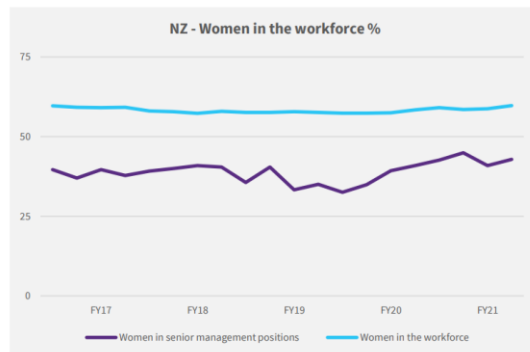
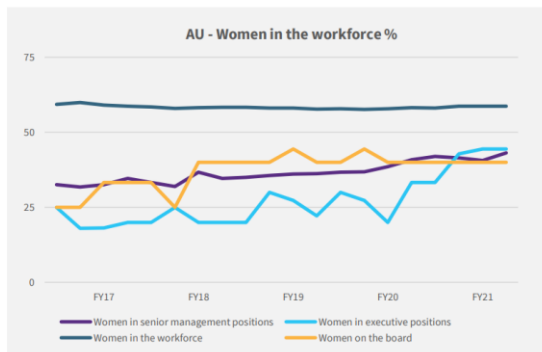
As a large Australian employer with more than 10,000 employees, IAG aims to have a workforce that reflects the diverse customers and communities that we serve. This includes supporting and enabling women at all levels of our organisation and at all stages of women's careers.

Through its brands, IAG is also a leading commercial, rural, and personal lines insurer and a top-three provider of workers compensation insurance. We offer market-leading products and outstanding service, backed by a 165-year heritage.

We recognise the opportunities, unique needs and importance of women's economic opportunities which is why we back innovative digital platforms such as Mums & Co whose purpose it is to empower women in all stages of business and motherhood to achieve their ambitions.

IAG’s reported FY21 workforce commitments:

Our Workforce Commitments	FY21 Actual	Target	Target Year	Status
Women in senior management	43%	50%	2023	On track
First Nations employment (AU)	1.5%	2%	Dec 2021	On track



The submission specifically addresses terms of reference a, b and d. We see the improvement of women’s economic security, term of reference c, as an outcome of the successful implementation of the recommendations we’ve made in our attached submission.

We welcome the opportunity to discuss this submission further. If you’d like to do so, please contact Louise Kerkham, Principal Public Policy and Industry Affairs further on 0439 131 761 or louise.kerkham@iag.com.au.

Sincerely

Jane Anderson
Executive General Manager, Corporate Affairs



NSW Government – Treasury Women’s Economic Opportunities Review

a. Caring for children

Almost half of our employees have caring responsibilities and in IAG’s experience, caring for children is a significant consideration that goes into women’s choices about joining the workforce, re-entering the workforce, or deciding career and role options. This experience highlights that women’s caring responsibilities continue to impact on workplace participation decisions until children reach greater independence in their teenage years.

To support employees with childcare responsibilities during school holidays when care is often expensive, difficult to find or doesn’t suit working hours, IAG introduced ‘kids@iag’ in 2014¹. The program provided onsite school holiday care at no cost to parents. A particular challenge in setting up kids@IAG was the potential for Fringe Benefits Tax liability under certain conditions which acts as a disincentive to employers in supporting employee’s participation in work.

To address issues with access to childcare and boost women’s participation in work we identified three key policy levers:

- Policies for child caring responsibilities should be gender neutral. Cultural and policy shifts to supporting all parents in childcare enables women’s increased workforce participation.
- In the absence of government supported universal and affordable access to childcare, barriers to the provision of childcare by employers should be removed and employers even incentivised to offer childcare as a way of attracting and retaining diverse talent.
- The cost of childcare should be seen as a family unit cost. By doing this, immediate comparisons between a woman’s salary and the cost of childcare can be reduced. Families can be provided with more comprehensive information to assist with making a full assessment of the decision to return to work and pay for care such as future career opportunities, salary growth and superannuation. Gender neutral and shared childcare policies can incentivise challenging traditional views about caring roles and enable women to increase their workforce participation.

b. Attracting and promoting female talent

We know that role flexibility is important to women’s career and role choices, and we support and incentivise women to join IAG through role flexibility² including:

- MyFlex Program which covers four different aspects of flexibility – flexi-time, flexi-place, flexi-job and flexi-leave.

¹ https://careers.iag.com.au/content/Our-Benefits/?locale=en_GB – this program was forced to wind down because of the pandemic.

² IAG was recently awarded the FlexReady certification by FlexCareers, highlighting our industry leading approach to flexibility.

- Our Dynamic Working approach which is centred on the people experience and has been developed around all employees being safe, connected and productive.
- Our Talent Acquisition Team leading the conversation internally, supporting our leaders in having the conversation on flexibility with our internal and external candidates.

Our Employee Network Groups exist to amplify the voices of the diverse people working at IAG, some of these are:

- Celebrating Women @ IAG celebrates and actively supports women at all stages in their careers to raise visibility and awareness of gender equity and help drive positive change
- Families @ IAG celebrates families and carers of all descriptions and strives to create a space of inclusiveness.
- Women in Tech which focuses on increasing the number of women in technology roles, with a focus on female technologists from school through to senior leadership.

Talent pipelines, women in senior management targets and continuing connection programs for women on parental leave are all ways IAG actively and deliberately attracts, retains, and advances women's talent in our organisation.

We also work to understand and minimise risks of a gender pay gap by ensuring that market analysis of salaries and our policies are gender neutral, and by providing access to bias awareness training to all employees. Because we know that bias can be inherent and difficult to recognise, we analyse the discretionary decisions about pay to ensure a gender bias is not present.

In our experience, because gender bias is an intrinsic trait across our society, difficult and sometimes confronting for individuals to recognise, we need active and intentional policies, monitoring and reporting. Promoting workforce diversity helps to challenge traditionally held views which is good for the company and the economy. Further, executive sponsorship and leadership in workplace diversity is critical to success.

d. Supporting female entrepreneurs

Mums & Co is an online hub for business owning women which has been backed by IAG since 2016 and was established with a purpose of de-risking the business journey for women.

2018 Australian Bureau of Statistics (ABS) data demonstrates:

- there are 680,000 business owning women in Australia,
- approximately 345,000 with dependent children (under 18); and
- women are creating more businesses than men.

Increasingly, more women are starting a business as a viable option to utilise their education and skills, balance needs of family and earn an income. Enablers for the success of female entrepreneurs and business owning include:

- Affordable and universally accessible childcare,
- Tailored and targeted education,
- Access to capital, and
- Emotional and business support provided by business networks.

There is some research and data available on business owning women and mums:

- A 2021 EY report Advancing Women Owned Businesses in the COVID-19 recovery³ examined the impacts of COVID-19 on working Australian women and explored the benefits of investing in women-owned businesses.
- The 2017 Australian Mums in Business Report (The Australian Mums in Business Report) by EY Sweeny, commissioned by Mums & Co⁴, found the two greatest business challenges faced by female owners are resource barriers of time and money:
 - Time - 56% finding it challenging prioritising time; and
 - Money - 8/10 new business owners are concerned with financial and commerciality of their idea and 50% struggle attracting and connecting with customers
- The Women-Owned Businesses: Statistics and Overview (2021) provides context in the USA⁵; and
- The Alison Rose Review into Female Entrepreneurship (The Rose Review)⁶ in the UK powerfully argues that the unrealised potential of female entrepreneurs is an enormous, missed opportunity for the country's economic prosperity. The Review made clear that tailored, specialist support who understand the unique challenges faced by women is needed to ensure success.

Quantify the vision and measure progress

We are calling for The Review to recommend to NSW Government a comprehensive survey of female entrepreneurs considering, starting, and running a business in NSW with research outcomes to:

- Establish a baseline understanding of the current female entrepreneurship landscape.
- Measure the pipeline of what exists to support development of female entrepreneurs and how many women are considering starting a business; and
- Quantify a vision for female entrepreneurship in NSW.

This recommendation would uphold all pillars of The Review, providing an essential data pool and insights to chart the impact of recommendations by The Review over the 5-to-10-year time horizon. It would also support the insurance industry (and others) to innovate products to meet the needs of female entrepreneurs and introduce procurement mechanisms to further advance the segment growth.

Upskill her and reduce the risks faced

The 2017 Australian Mums in Business Report further observed that while 50% of women start a business in a completely new field and 27% have never owned a business before, only 34% of mums in business went to government websites for information on starting and running a business. This evidence suggests that having the right skills and support around this “starting” stage is vital, yet 70% of NSW women do not find support through this process from the NSW Government. Increased support from the NSW Government would greatly assist women in the early stages of

³ ey-au-advancing-women-owned-businesses-covid-19.pdf

⁴ www.mumsandco.com.au/news/the-australian-mums-in-business-report

⁵ Women-Owned Businesses: Statistics and Overview (2021) - Fundera Ledger - www.fundera.com/resources/women-owned-business-statistics

⁶

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784324/RoseReview_Digital_FINAL.PDF

business. This education can be enhanced by using technology to recognise when the business is entering the next stage and targeting the business owner with the right information at the right time.

Given the dynamism of the first two to five years in business, insurance can play a critical role in managing traditional and emerging risks that small businesses face. With the recent substantial growth in digital and cyber risk, products like IAG's partnership with Upguard⁷ can protect small business at all stages. IAG is already looking improving education and awareness of cyber risk and cyber security through the partnership.

Later, as businesses mature and grow, business owners' needs and obligations change. Ongoing education about ways to manage these changing risks and opportunities is just as important. Targeted information for each business stage saves time and removes unnecessary clutter and distraction to enable women to focus on starting and managing their business.

Knowing that time is a key challenge for female entrepreneurs, we see digital integration and self-service as a key enabler. Every minute at every login, every day, is minutes "on" the business rather than leading to commercial impact and greater personal wellbeing, with flow on community benefits.

IAG can work with government over the proposed time horizon to support education for female entrepreneurs and in particular understanding, mitigating, and insuring their risks.

Build her networks

Finally, the NSW Government should work to expand existing networking and mentoring programs and opportunities focused on connecting female entrepreneurs. Evidence shows that being part of local business networks can help entrepreneurs grow their business and share best practice, but the Rose Review found that women are less likely to be a member of a business network or know another entrepreneur. Organisations such as Mums & Co, SBE Australia and SHEO, Tech Ready Women and many more across the state and country are already playing a valuable role in the sector and with this Review, the opportunity exists to further elevate and embed these as go to resources for female entrepreneurs.

IAG therefore recommends The Review explores all reform levers available – through technology, intergovernmental data partnerships and upskilling initiatives, to educate business owning women in starting and running their business.

Summary of recommendations

As long as women are systemically disadvantaged through gender bias in joining and participating in the workforce, across business and government, IAG sees the need for proactive, deliberate oversight and monitoring:

a. Caring for children

1. The NSW Government should have ongoing engagement with NSW businesses to both learn and promote leading practice in gender neutral childcare policies that enable choice for all parents.
2. Barriers to the provision of childcare by employers should be removed and employers even incentivised to offer childcare as a way of attracting and retaining diverse talent.

⁷ UpGuard is a cybersecurity platform that prevents data breaches by helping businesses assess and monitor the risk of their third-party vendors and protect against data leaks.

b. Attracting and promoting female talent

The NSW Government should support and promote employers to have policies that intentionally promote increased female participation in the workforce such as talent and training pipelines (particularly in sectors traditionally dominated by men), gender neutral parental leave policies, and women in senior management targets.

d. Supporting female entrepreneurs

1. The NSW Government should work with IAG to promote greater awareness of the need for cyber security protection and insurance, along with greater digital integration. Through IAG's partnership with Upguard we are already looking at ways to increase this education and awareness for SME businesses in Australia.
2. The NSW Government should conduct a comprehensive survey of female entrepreneurs considering, starting, and running a business in NSW with research outcomes to illustrate the baseline, pipeline, and vision for this sector.
3. The NSW Government should provide education, training and networking support for female entrepreneurs that is timely and relevant to each stage of business.