31 August 2022

Pre-Summit Submission

Dear Prime Minister and Treasurer

Diversity Council Australia (DCA) is the independent not-for-profit peak body leading diversity and inclusion in the workplace.

We have over 1,100 member organisations, reaching more than 20% of the Australian labour market

DCA supports the Summit's priorities and welcomes the decision to bring one hundred representatives from employers, unions and civil society organisations together.

In this submission, we outline what our research says about the experiences of Australian workers from a diversity of backgrounds, and offer evidence-based solutions to create inclusive workplaces. We also demonstrate the significant productivity and innovation benefits to Australian organisation of becoming more diverse and inclusive.

We welcome the Government's aspiration for the Summit, and look forward to working with Australian organisations to make workplaces more accessible and inclusive and in doing so, creating opportunities for more Australians to get ahead and to reach their aspirations.

Please feel free to contact myself or Cathy Brown, Director of Communications and Advocacy, on 0424 578 698 or advocacy@dca.org.au, you require any further information about this matter.

Yours sincerely

Lisa Annese
Chief Executive Officer

CONTENTS

ABOUT DIVERSITY COUNCIL AUSTRALIA

Who we are

Diversity Council Australia (DCA) is the independent not-for-profit peak body leading diversity and inclusion in the workplace. We provide unique research, inspiring events and programs, curated resources and expert advice across all diversity dimensions to a community of member organisations.

DCA's Membership represents over 20% of the Australian workforce

DCA's prestigious group of over 1,100 members is drawn from business and workplace diversity leaders and includes some of Australia's biggest employers. Our membership reaches over **20%** of the Australian labour market.

About our members

1,100 member organisations, including almost 40 ASX100 Listed companies.

Our members are drawn from across the corporate, government and not-for-profit sectors and vary from small to large workforces in size.

Our founding members include ANZ, AMP, BHP, Boral, Coles, IBM Australia, Myer, Orica, Rio Tinto and Westpac.

DCA's Members are listed on our website here: https://www.dca.org.au/membership/current-dca-members.

Our belief, vision and mission

- Our belief is that diversity and inclusion is good for people and business.
- Our vision is to create a more diverse and inclusive Australia.
- Our mission is to encourage and enable Australian organisations to create diverse and inclusive workplaces.

What we do

DCA, formerly known as the Council for Equal Opportunity in Employment Ltd, was established in 1985 as a joint initiative of the Australian Chamber of Commerce and Industry and the Business Council of Australia to demonstrate the business community's commitment to equal opportunity for women.

Our focus since then has expanded to cover all aspects of diversity in employment, reflecting changes in practice to embrace all areas of the diversity of human resources.

DCA is not government funded - its income is generated from membership fees, sponsorships and services to business/employers.

Our Research

DCA works in partnership with members to generate ground-breaking evidence-based diversity and inclusion resources that enables Australian organisations to fully leverage the benefits of a diverse talent pool.

DCA research is grounded in the contributions of people with lived experience. DCA projects use expert panels, focus groups, think tanks and surveys to make people with lived experience central to the project findings.

DCA resources are ahead of the curve. They establish leading diversity thinking and practice, enabling Australian organisations to re-imagine and reconfigure the way they manage talent in today's dynamic operating environments.

DCA resources drive business improvement. They are high impact, driving business improvement through providing evidence-based guidance on how to fully leverage the benefits of a diverse talent pool.

DCA resources are practice focused. They respond to the information needs of industry leaders and the people they employ.

DCA resources speak to the Australian context. DCA projects generate leading diversity thinking and practice that speaks to Australia's unique and distinctive institutional, cultural and legal frameworks.

DCA resources considers all diversity dimensions. The full spectrum of diversity dimensions are investigated including age, caring responsibilities, cultural background and identity, disability, Aboriginal and/or Torres Strait Islander status, sexual orientation, gender identity, intersex status, social class and work organisation.

POSITIONING

The importance of taking an intersectional approach

Intersectionality refers to the ways in which different aspects of a person's identity can expose them to overlapping forms of discrimination and marginalisation.

DCA's work over many years has recognised how intersectionality impacts the experiences of diverse women in Australian workplaces. For example:

- DCA, WGEA & Jumbunna's research, *Gari Yala: Gendered Insights*[1], found that Indigenous women who are also carers experience 'triple jeopardy'. That is, the combination of these three aspects of their identity overlap to amplify their experiences of discrimination and exclusion at work.
- DCA's *Class at Work*[2] research shows that 45% of women from self-identified lower classes reported having experienced discrimination and/or harassment of some type.
- DCA's *Out at Work*[3] recognised the 'double jeopardy' that LGBTIQ+ women face, where the combination of being a woman, and having a non-heterosexual identity combine to make it more difficult for them, relative to cisgender-gay-men or cisgender-heterosexual-women, to progress in the workplace.
- DCA's *Capitalising on Culture and Gender in ASX leadership*[4] found that culturally diverse women experience a 'double jeopardy' when accessing leadership roles due to their gender and cultural background. This double jeopardy results in a 'glass-cultural ceiling' in which invisible organisational barriers lock out culturally diverse women from accessing leadership positions in their workplaces.

It is therefore critical that in understanding and responding to the issues of the Jobs and Skills summit that legislators, policymakers and those implementing such policies, understand intersectionality, and take an intersectional approach implementing such policies.

A note on binary language used in this submission

While neither sex nor gender exist in binary categories, these categories still have very real effects.

However, DCA recognises that there are people whose experiences and identities cannot be captured by the use of binary language, and these limitations should be acknowledged whenever binary language is used.

SUMMARY

In 2022, Australia is experiencing the lowest unemployment rate in almost 50 years. This, along with record-high employment, means that many Australian organisations are struggling to meet their workforce needs.

At the same time, there are more than 3 million people in Australia who are looking for work, or who want more work.

More often than not, these potential workers belong to marginalised groups. Not only are these workers being left off recruitment radars, but they also experience bias and exclusion in the labour market as well.

A focus on diversity and inclusion (D&I) can help us to understand and address these issues, and in doing so it can also help us create a more equitable job market for all Australians.

In this submission, we outline what our research says about the experiences of Australian workers from a diversity of backgrounds, and offer evidence-based solutions to create inclusive workplaces. We also demonstrate the significant productivity and innovation benefits to Australian organisation of becoming more diverse and inclusive.

We welcome the Government's aspiration for the Summit, and look forward to working with Australian organisations to make workplaces more accessible and inclusive and in doing so, creating opportunities for more Australians to get ahead and to reach their aspirations.

Inclusion for Aboriginal and/or Torres Strait Islander peoples at work

In 2020, DCA collaborated with the Jumbunna Institute on *Gari Yala* to gain a firsthand understanding of the diversity of Indigenous workers' experiences. This research revealed that Indigenous workers in Australia experience shocking levels of racism, cultural load and identity strain.

The summit must ensure that the experiences of Aboriginal and/or Torres Strait Islander people at work are a key focus, and that these discussions must be led and informed by Aboriginal and/or Torres Strait Islander people.

Addressing the gender pay gap

Australian women are among the most educated in the world. Yet despite many years of higher educational attainment than men, and women working more than ever, the gap between women's and men's earnings hasn't significantly budged.

To address this issue, DCA, along with KPMG and WGEA, recently released the fourth iteration of *She's Price(d)less*, which uses econometric modelling to unpack the drivers of the gender pay gap, and help provide an evidence base for interventions to close the gap.

Gender discrimination

DCA supports the full implementation of the Respect@Work report, and notes that the Government has made a commitment to doing this.

We recognise, however, that workplaces will need support and advice to ensure that these recommendations are implemented appropriately.

Care, family and workforce participation

DCA recommends that in order to better understand the gendered impact of caring we need to measure unpaid care and work.

We also recognise that there are interventions that government and employers can take:

- **Government** can address the unequal impact that care, family and workforce participation has on women's earnings by ensuring affordable, available, flexible and accessible universal childcare. Universal access ensures that all families can access quality childcare, in a form that meets the needs of children, parents and community, and at a cost that does not present a barrier to participation.

Australian parents face some of the highest out of pocket early childhood education and care costs in the OECD, while tax and family benefit policies disincentivise women from working additional hours or working at all.

DCA was pleased to see the Government's pre-election commitment to reducing the cost and increasing he availability of childcare, and looks forward to seeing this implemented.

- **Employers** can make flexible work available to anyone for any reason, and introduce 'shared care' parental leave so all parents have equal paid leave and can access this flexibly.

DCA also advocates for employers to improve their capability around job-design and recommends taking a team-based approach, as outlined in our evidence based guide, *Future Flex*. It is also important for them to consider how COVID-19 has impacted on different segments of their workforce.

Gender segregation in job type

Women's overrepresentation in certain industries and occupations continues to be a significant driver of the pay gap. Women make up most of the workforce in low-paying industries and jobs we rely on to carry out our daily lives but simultaneously undervalue, and this needs to change.

We must make addressing wage inequality in feminised industries an urgent priority.

DCA was pleased to hear of the Government's plans to make gender pay equity an objective of the Fair Work Act and strengthen the Fair Work Commission's powers to order pay rises for workers in low paid industries dominated by women.

DCA also supports the call by Chief Executive Women for the Summit to address the systemic issues in the care economy.

Improvements to data collection and reporting

Australia does not currently collect national data that would enable us to examine the pay gap through an intersectional lens.

There is strong support from our member organisations for expanding the data currently collected by the Workplace Gender Equality Agency and DCA supports the work currently underway to broaden data collection (including recognising non-binary genders) for WGEA.

Better data collection for understanding Australia's LGBTIQ+ populations

Without nationally consistent national data sets for benchmarking, the addition of intersectional data to the WGEA data set will have limited applicability.

DCA therefore recommends that the government ensures that questions on sexual orientation, gender identity and intersex status are also included in the Census.

Better data collection for understanding Australia's racial and cultural diversity

DCA would encourage the ABS to consider the framework out lined in DCA's Counting Culture: Towards A Standardised Approach to Measuring and Reporting on Workforce Cultural Diversity in Australia.

Workplace inclusion as a strategy to reduce discrimination and enhance opportunities for all Australians

DCA's [Inclusion@Work Index](#) *2021-22* shows that inclusive workplaces significantly decreases the risk of experiencing discrimination and/or harassment while at work; and inclusive workplaces are more productive and have better outcomes for all employees.

Employers who do the work to actively create and maintain diverse workforces with actively inclusive practices are more productive, more innovative, and more profitable.

Employers who embed inclusive practice have happier, more effective, more innovative workers who are four times less likely to be looking to leave in the next year.

We urge the Summit to make D&I a priority for tackling some of the systemic issues that are impacting our economy.

Addressing Racism at Work

DCA's [Racism At Work](#) revealed that workplace racism is having a significant impact on Australian employees' wellbeing, and impacting Australian organisations.

Australia must address racism, and DCA supports the work being undertaken by the Australian Human Rights Commission on a National Anti-Racism Strategy.

DCA recommends that the Summit must address racism in workplaces, and be led by racially marginalised people on interventions.

Furthermore, to address racism in Australia more broadly, more work needs to be done to increase racially literacy in the community.

Inclusive recruitment

In 2022, Australia is experiencing the lowest unemployment rate in almost 50 years. This, along with record-high employment, means that many Australian organisations are struggling to meet their workforce needs.

At the same time, there are more than 3 million people in Australia who are looking for work, or who want more work.

DCA has new research – to be released in October, that looks at who are the overlooked and underleveraged pools of talent in Australia's labour market, what is preventing this talent from being recruited, and how we can recruit, inclusively.

INTRODUCTION

In 2022, Australia is experiencing the lowest unemployment rate in almost 50 years. This, along with record-high employment, means that many Australian organisations are struggling to meet their workforce needs.

At the same time, there are more than 3 million people in Australia who are looking for work, or who want more work.

More often than not, these potential workers belong to marginalised groups. Not only are these workers being left off recruitment radars, but they also experience bias and exclusion in the labour market as well.

A focus on diversity and inclusion (D&I) can help us to understand and address these issues, and in doing so it can also help us create a more equitable job market for all Australians.

DCA has more than 1,100 members – who collectively employ approximately twenty percent of the Australian workforce. What these businesses recognise is that D&I is not an optional extra – but a superpower. Employers who do the work to actively create and maintain diverse workforces with actively inclusive practices are more productive, more innovative, and more profitable.

D&I has as much a place in addressing worker shortages as it does in retaining happier, more effective workers. D&I also makes workplaces safer: if you work in an inclusive workplace, you are much less likely to experience harassment and discrimination.

The challenge that the Government has set itself with the Jobs and Skills Summit is significant: *"to build a bigger, better trained and more productive workforce; boost incomes and living standards; and create more opportunities for more Australians to get ahead and to reach their aspirations"*.

In this submission, we outline what our research says about the experiences of Australian workers from a diversity of backgrounds, and offer evidence-based solutions to create inclusive workplaces. We also demonstrate the significant productivity and innovation benefits to Australian organisation of becoming more diverse and inclusive.

We welcome the Government's aspiration, and look forward to working with Australian organisations to make workplaces more accessible and inclusive and in doing so, creating opportunities for more Australians to get ahead and to reach their aspirations.

Inclusion for Aboriginal and/or Torres Strait Islander peoples at work

In 2020, DCA collaborated with the Jumbunna Institute on *Gari Yala* – which means 'speak the truth' in Wiradjuri language – to gain a firsthand understanding of the diversity of Indigenous workers' experiences. The project was Indigenous led and overseen by an Expert Panel of distinguished Aboriginal and/or Torres Strait Islander academics and employment practitioners.

That report found that:

- 63% of Aboriginal and/or Torres Strait Islander employees experience high identity strain[5] – the strain Indigenous employees feel when they themselves, or others, view their identity as not meeting the norms or expectations of the dominant culture in the workplace
- 39% carry the burden of high cultural load, which comes in the form of extra work demands and the expectation to educate others
- 28% work in culturally unsafe workplaces.

Indigenous employees face significant workplace racism and exclusion:

- 38% reported being treated unfairly because of their Indigenous background sometimes, often or all the time
- 44% reported hearing racial slurs sometimes, often or all the time
- 59% reported experiencing appearance racism – receiving comments about the way they look or 'should' look as an Aboriginal or Torres Strait Islander person.

Racism impacts wellbeing and job satisfaction – Aboriginal and/or Torres Strait Islander workers who experienced unfair racist treatment were:

- less likely to always be satisfied with their job, compared to those who rarely or never experienced unfair racist treatment
- 3 times less likely to always recommend their workplace to other Indigenous people
- 2 times as likely to be looking for a new employer in the next year.

Workplace supports are ineffective

- Only 1 in 3 had the workplace support required when they experienced racism
- Only 1 in 5 worked in organisations with both a racism complaint procedure and anti-discrimination compliance training that included reference to Indigenous discrimination and harassment.

The summit must ensure that the experiences of Aboriginal and/or Torres Strait Islander people at work are a key focus, and that these discussions must be led and informed by Aboriginal and/or Torres Strait Islander people.

Addressing the gender pay gap

Australian women are among the most educated in the world. Yet despite many years of higher educational attainment than men, and women working more than ever, the gap between women's and men's earnings hasn't significantly budged.

To address this issue, DCA, along with KPMG and WGEA, recently released the fourth iteration of *She's Price(d)less*, which uses econometric modelling to unpack the drivers of the gender pay gap, and help provide an evidence base for interventions to close the gap.

This research revealed that three factors have a significant impact on the gender pay gap: gender discrimination; care, family and workforce participation; and type of job (industrial and occupational segregation). The report also recommended actions to effect change in relation to each of the drivers.

Key drivers of the pay gap in 2020

Our analysis shows that systemic drivers of the pay gap remain the largest contributors to the pay gap in 2020.

36%
Gender discrimination
39% in 2017

33%
Care, family and workforce participation
39% in 2017

24%
Type of job
17% in 2017

Gender discrimination

Gender discrimination is the part of the gender pay gap that is not able to be explained by factors associated with people's employment, labour force participation, household characteristics and unpaid care and work responsibilities. There is a considerable body of evidence about the impact of gender discrimination on wage gaps in Australia and other high-income economies.

Gender discrimination shows up in various ways, including the systematic undervaluation of women's economic contribution, the allocation of less meaningful tasks to women or fewer opportunities for promotion. In the workforce, gender discrimination has been linked to practices such as workplace culture, hiring, promotion and access to training, which can impact human capital.

DCA supports the full implementation of the *Respect@Work* report, and notes that the Government has made a commitment to doing this.

We recognise, however, that workplaces will need support and advice to ensure that these recommendations are implemented appropriately.

Care, family and workforce participation

She's Price(d)less found that the combined impact of care, family responsibilities and workforce participation are responsible for about one-third of the gender pay gap.

DCA's research into the impact of care on women's workplace equality, *Let's Share the Care*[6], found that:

Women are much more likely than men to access primary parental leave, and therefore to experience costly career interruptions.

Even ten years after the birth or adoption of their first child, Australian women undertake 62% of domestic work in a household. In fact, married women with children do more housework than their male partners, even if both partners work full-time.

Women also report carrying the household mental load – the burden of remembering, planning and organising. Nearly 70% of mothers report frequently feeling chronically time pressured compared to 55% of fathers.

Twice as many women as men are the primary carer to a person with a disability, and of these women, 57% are not in the labour force.

Women's disproportionately more time out of the workforce also affects their opportunities to develop skills and undertake training and therefore to increase their lifetime earnings.

Traditional gendered divisions of unpaid work can also be reinforced by economic incentives. Interactions between the Australian personal income tax, family payment and childcare support systems can also deter Australian women with young children from increasing their workforce participation.

DCA recommends that in order to better understand the gendered impact of caring we need to measure unpaid care and work.

We also recognise that there are interventions that government and employers can take:

- Government can address the unequal impact that care, family and workforce participation has on women's earnings by ensuring affordable, available, flexible and accessible universal childcare. Universal access ensures that all families can access quality childcare, in a form that meets the needs of children, parents and community, and at a cost that does not present a barrier to participation.

Australian parents face some of the highest out of pocket early childhood education and care costs in the OECD, while tax and family benefit policies disincentivise women from working additional hours or working at all.

DCA was pleased to see the Government's pre-election commitment to reducing the cost and increasing he availability of childcare, and looks forward to seeing this implemented.

- Employers can make flexible work available to anyone for any reason, and introduce 'shared care' parental leave so all parents have equal paid leave and can access this flexibly.
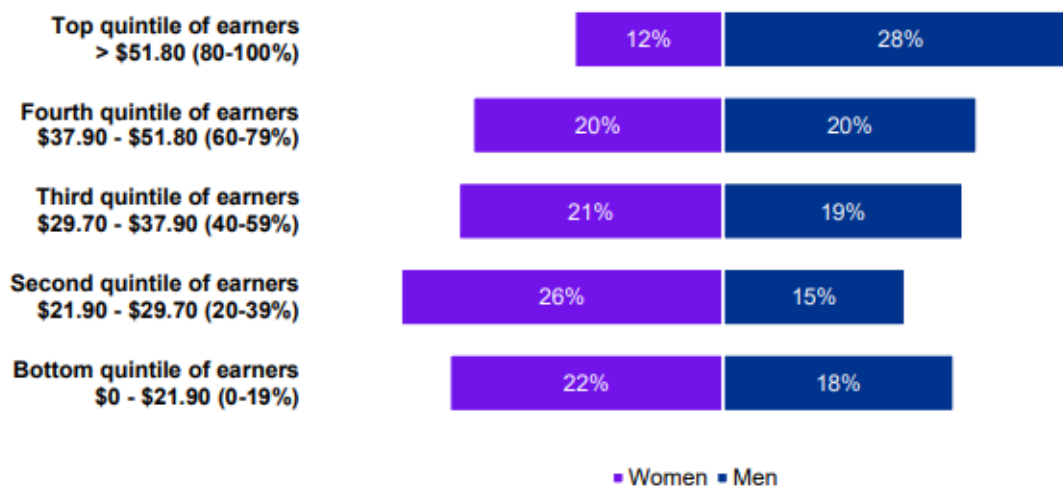
DCA also advocates for employers to improve their capability around job-design and recommends taking a team-based approach. It is also important for employers to consider how COVID-19 has impacted on segments of their workforce.

To this end, recommend employers access our Future-Flex research which are an evidence-based guide to re-designing work at a team or organisation level to maximise performance and wellbeing.

Gender segregation in job type

Australia's labour market has high levels industrial segregation (e.g. the high number of women in education and primary care relative to the low number of women in mining) and occupational segregation (e.g. the underrepresentation of women in high paying roles, such as management and chief executives, and overrepresentation in low paying roles, such as care work).

Chart 23: Distribution of men's and women's workforce by income quintile (HILDA)

Income quintile	Women	Men
Top quintile of earners > $51.80 (80-100%)	12%	28%
Fourth quintile of earners $37.90 - $51.80 (60-79%)	20%	20%
Third quintile of earners $29.70 - $37.90 (40-59%)	21%	19%
Second quintile of earners $21.90 - $29.70 (20-39%)	26%	15%
Bottom quintile of earners $0 - $21.90 (0-19%)	22%	18%

■ Women ■ Men

Source: KPMG analysis of the Household, Income and Labour Dynamics in Australia Survey, Wave 20 (HILDA Survey).
Note: Results may add to more than 100% or the total due to rounding.

Women's overrepresentation in certain industries and occupations continues to be a significant driver of the pay gap. Women make up most of the workforce in low-paying industries and jobs we rely on to carry out our daily lives but simultaneously undervalue, and this needs to change.

We must make addressing wage inequality in feminised industries an urgent priority.

DCA was pleased to hear of the Government's plans to make gender pay equity an objective of the Fair Work Act and strengthen the Fair Work Commission's powers to order pay rises for workers in low paid industries dominated by women.

DCA also supports the call by Chief Executive Women for the Summit to address the systemic issues in the care economy.

Placing care at the centre of our economy

The pandemic has exposed the fragility of our economic assumptions and our lack of investment in the social infrastructure crucial to a strong economy and society. While the care sector, largely powered by women, has been the safety net of the economy, this sector has been widely undervalued. The care sectors are encumbered by critical workforce shortages, resulting from high levels of insecure work and low pay. Addressing the jobs and skills crisis in the care sectors will be critical to Australia's productivity and unlocking women's workforce participation.

Improvements to data collection and reporting

Any approach to addressing the systemic drivers of the gender pay gap cannot be one size fits all. We know from overseas evidence that a woman's race or disability status can exacerbate the pay gap.

Australia does not currently collect national data that would enable us to examine the pay gap through an intersectional lens.

There is strong support from our member organisations for expanding the data currently collected by the Workplace Gender Equality Agency and DCA supports the work currently underway to broaden data collection (including recognising non-binary genders) for WGEA.

Better data collection for understanding Australia's LGBTIQ+ populations

Without nationally consistent national data sets for benchmarking, the addition of intersectional data to the WGEA data set will have limited applicability.

DCA therefore recommends that the government ensures that questions on sexual orientation, gender identity and intersex status are also included in the Census.

Better data collection for understanding Australia's racial and cultural diversity

What's more, there are limitations in the current measures used in the Australian census for understanding measuring, and reporting on Australia's racial and cultural diversity.

DCA would encourage the ABS to consider the framework out lined in DCA's *Counting Culture: Towards A Standardised Approach to Measuring and Reporting on Workforce Cultural Diversity in Australia.*

Workplace inclusion as a strategy to reduce discrimination and enhance opportunities for all Australians

DCA's research offers evidence for a addressing a number of the key themes identified in the Job and Skills Summit Issues paper, including:

> expanding the representation of women and other underrepresented Australians across the economy,
> reducing discrimination and increasing awareness of the value that diversity can bring to businesses and the broader economy, and
> ensuring that economies of the future are inclusive, so that all Australians are able to access and benefit from these opportunities.

DCA's research shows that inclusive workplaces significantly decreases the risk of experiencing discrimination and/or harassment while at work; and inclusive workplaces are more productive and have better outcomes for all employees.

DCA's *Inclusion@Work Index* is a nationally representative survey of 3,000 Australian workers repeated biennially to map and track inclusion in the Australian workforce over time.

Since 2017, DCA has conducted three *Inclusion@Work* indexes and each time the findings demonstrate inclusion is much more than a 'feel good' exercise. It creates a better work environment that is good for businesses and people.

The 2021 research found that workers in inclusive teams are:

> 4 times less likely to leave their job in the next 12 months
> 10 times more likely to be very satisfied
> 4 times less likely to feel work has a negative or very negative impact on their mental health.
> 5 times less likely to experience discrimination and/or harassment
> 11 times more likely to be highly effective than those in non-inclusive teams

10 times more likely to be innovative
6 times more likely to provide excellent customer service
4 times more likely to work extra hard

However, there is a lot at stake where workplaces are not inclusive.

Non-inclusion significantly increases risk of discrimination and harassment, reduces team performance, and impacts employee wellbeing.

Non-Inclusion increases harassment and discrimination

Our research shows that working in non-inclusive teams, with non-inclusive managers, and in non-inclusive organisations significantly increases your risk of experiencing discrimination and/or harassment while at work.

For employees, this can harm wellbeing and mental health. For organisations, this can risk costly lawsuits and loss of organisational reputation. Specifically, our results show:

workers in **non-inclusive teams** are 5 times more likely to report experiencing discrimination and/or harassment at work compared to those in inclusive teams (56% in non-inclusive teams compared to 10% in inclusive teams)
workers with **non-inclusive managers** are 4 times more likely to report experiencing discrimination and/or harassment at work compared to those with inclusive managers (47% with non-inclusive managers compared to 12% with inclusive managers)
workers in **non-inclusive organisations** are 4 times more likely to report experiencing discrimination and/or harassment at work compared to those in inclusive organisations (45% in non-inclusive organisations compared to 11% in inclusive organisations).

Diversity and inclusion have significant benefits for wellbeing and productivity.

Employers who do the work to actively create and maintain diverse workforces with actively inclusive practices are more productive, more innovative, and more profitable.

Employers who embed inclusive practice have happier, more effective, more innovative workers who are four times less likely to be looking to leave in the next year.

We urge the Summit to make D&I a priority for tackling some of the systemic issues that are impacting our economy.

For more information, please see **APPENDIX A**.

Addressing Racism at Work

DCA's [Racism At Work](#) revealed that workplace racism is having a significant impact on Australian employees' wellbeing, and impacting Australian organisations.

The research found that:

Wellbeing	Racism has significant negative impacts on the wellbeing of those who experience it. It is linked to sleep problems, higher levels of anxiety and depression, and other trauma-related symptoms. All this not only comes at a high personal cost, the negative health impact also costs the Australian economy almost $38 billion per year.[7]
Engagement	Racial barriers at work have caused 1 in 4 racially marginalised women, surveyed in DCA's *Cracking the Glass Cultural Ceiling* report, to 'scale back' at work (i.e. reduced ambitions, worked fewer hours, or worked less hard).
Participation	70% of employees exposed to racial discrimination, violence, or harassment take time off work.[8]
Retention	DCA's *Gari Yala* research found that Aboriginal and/or Torres Strait Islander workers who experience workplace racism are more than twice as likely as those who do not experience racism to be looking for a new employer in the coming year. They are also half as likely to be satisfied with their job. According to DCA's *Cracking the Glass Cultural Ceiling* report, 60% of racially marginalised female executives and 79% of racially marginalised senior managers are considering leaving their employers in the next year.

> While having to leave an organisation due to racism is a high personal cost, it also costs the organisation - losing an employee can cost anywhere from 16% of their salary for hourly unsalaried employees to 213% of the salary for a highly trained position.[9]

Some groups experience racism at work and in the community at higher rates than others, in particular:

Aboriginal and/or Torres Strait Islander peoples experience the highest rate of workplace discrimination and harassment of any demographic group – 50% have personally experienced at least one incident of workplace harassment and/or discrimination in the past 12 months.[10]

'Newer' migrants from racially marginalised groups are likely to experience racism. Australians are now more accepting of migrants from countries with a long history of migration to Australia (e.g. Italy or Greece) and less accepting of 'newer' migrants (e.g. Middle East and African countries).[11]

Australians report having negative feelings towards the following groups:

32% towards Muslim Australians
22% towards Middle Eastern Australians
18% towards refugees in Australia
16% towards African Australians
11% towards Aboriginal and/or Torres Strait Islander peoples

By comparison, only 3% report negative feelings towards Anglo-Australians.

Meanwhile, high Antisemitic sentiment (40%) was expressed when Australians were asked about marrying someone of Jewish background.[12]

Australia must address racism, and DCA supports the work being undertaken by the Australian Human Rights Commission on a National Anti-Racism Strategy.

DCA recommends that the Summit must address racism in workplaces, and be led by racially marginalised people on interventions.

Furthermore, to address racism in Australia more broadly, more work needs to be done to increase racially literacy in the community.

Inclusive recruitment

In 2022, Australia is experiencing the lowest unemployment rate in almost 50 years. This, along with record-high employment, means that many Australian organisations are struggling to meet their workforce needs.

At the same time, there are more than 3 million people in Australia who are looking for work, or who want more work.

Australian employers are having to meet their workforce needs by connecting with cohorts who have typically not been on their recruitment radars. As experts have pointed out, the reality is we have an enormous pile of people who could work and contribute to our economic performance but who are sitting on the sidelines.[13] **Close to 1 million (808,100) are looking for work** (i.e. short-term and long-term unemployed). **Well over 2 million (2,328,000) are open to work** but not actively searching because they are employed elsewhere (underemployed), are discouraged from finding employment or have other obligations (such as childcare or study).

More often than not, these potential workers belong to marginalised groups. And not only are these workers being left off recruitment radars, they are experiencing bias and exclusion in the recruitment process itself – both covertly and overtly.

DCA has new research – to be released in October, that looks at who are the overlooked and underleveraged pools of talent in Australia's labour market, what is preventing this talent from being recruited, and how we can recruit, inclusively.

Inclusive recruitment occurs when hiring processes and practices value diversity, are bias-free and enable a diversity of talent to be sourced, assessed, selected and appointed.

This moment in time offers an incredible opportunity for Australian businesses. By opening up our recruitment practices and making them more accessible and inclusive, not only can we tap into the incredible talents of almost 3 million Australians, but we can also create a more equitable job market for all Australians.

APPENDIX A: INCLUSION@WORK INDEX 2021-22

Extract from the DCA *Inclusion@Work Index 2021-22.*[14]

Figure 1: Impact of Team, Manager and Organisational Inclusion on Discrimination and/or Harassment Experience

Experienced discrimination and/or harassment (% yes)
56.3%
10.4%

■ Workers in NON-INCLUSIVE Teams   ■ Workers in INCLUSIVE Teams

Experienced discrimination and/or harassment (% yes)
46.5%
11.5%

■ Workers with NON-INCLUSIVE Managers   ■ Workers with INCLUSIVE Managers

Experienced discrimination and/or harassment (% yes)
44.5%
10.9%

■ Workers in NON-INCLUSIVE Organisations   ■ Workers in INCLUSIVE Organisations

Non-Inclusion Diminishes PERFORMANCE

Workers in non-inclusive teams are 11 times less likely to report that their team is **highly effective**, and 10 times less likely to indicate their team is **innovative** than workers in inclusive teams.

These workers are significantly less likely than workers in inclusive teams to report that their team excelled at:

> **innovating** (4% for workers in non-inclusive teams versus 41% for workers in inclusive teams)
> **working hard** (14% versus 54%)
> **working together effectively** (5% versus 55%), and
> **customer/client service** (9% versus 55%).

Figure 2: Impact of Non-Inclusive Teams on Team Performance

INNOVATION: My team looks for new ideas and ways to solve problems (% always)
- Workers in NON-INCLUSIVE Teams: 3.7%
- Workers in INCLUSIVE Teams: 41.1%

EFFORT: I am willing to work extra hard to help my team succeed (% always)
- Workers in NON-INCLUSIVE Teams: 13.9%
- Workers in INCLUSIVE Teams: 53.5%

EFFECTIVENESS: In my team we work effectively together to meet work expectations (% always)
- Workers in NON-INCLUSIVE Teams: 5.4%
- Workers in INCLUSIVE Teams: 55.4%

CUSTOMER SERVICE: My team provides excellent client/customer service (% always)
- Workers in NON-INCLUSIVE Teams: 9.1%
- Workers in INCLUSIVE Teams: 54.9%

■ Workers in NON-INCLUSIVE Teams ■ Workers in INCLUSIVE Teams

Inclusive Organisations

Working in a non-inclusive organisation also diminishes performance. Workers in non-inclusive organisational climates are 8 times less likely than workers in inclusive organisations to report that their team is **innovative** – only 5% of workers in non-inclusive organisations indicate their team is always innovative versus 44% of workers in inclusive organisations.

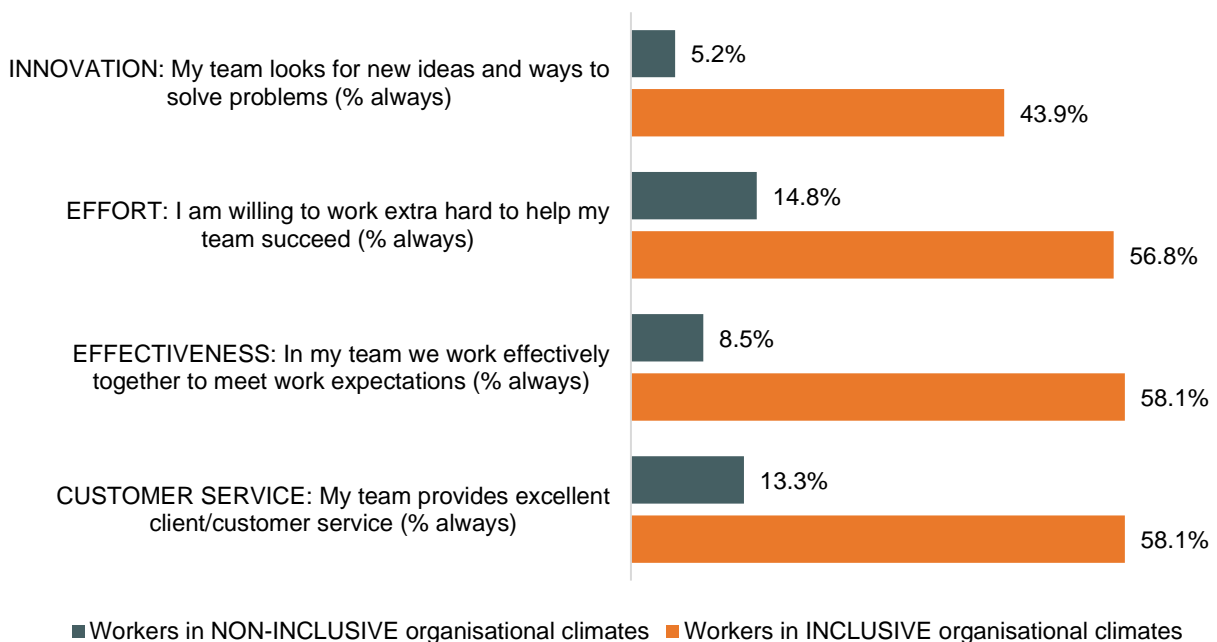Again, a comparable trend is evident for **effort** (15% non-inclusive organisations versus 57% inclusive organisations)**, team effectiveness** (9% versus 58%), and **customer/client service** (13% versus 58%).

Figure 3: Impact of Non-Inclusive Organisational Climate on Team Performance

INNOVATION: My team looks for new ideas and ways to solve problems (% always)
- Workers in NON-INCLUSIVE organisational climates: 5.2%
- Workers in INCLUSIVE organisational climates: 43.9%

EFFORT: I am willing to work extra hard to help my team succeed (% always)
- Workers in NON-INCLUSIVE organisational climates: 14.8%
- Workers in INCLUSIVE organisational climates: 56.8%

EFFECTIVENESS: In my team we work effectively together to meet work expectations (% always)
- Workers in NON-INCLUSIVE organisational climates: 8.5%
- Workers in INCLUSIVE organisational climates: 58.1%

CUSTOMER SERVICE: My team provides excellent client/customer service (% always)
- Workers in NON-INCLUSIVE organisational climates: 13.3%
- Workers in INCLUSIVE organisational climates: 58.1%

■ Workers in NON-INCLUSIVE organisational climates ■ Workers in INCLUSIVE organisational climates

Non-Inclusion Reduces WELLBEING

Employees in non-inclusive teams, with non-inclusive managers, and in non-inclusive organisational climates are significantly less satisfied and successful, more likely to leave their organisation, and to report work negatively impacts their mental health compared to those with inclusive teams, managers, and organisational climates.

Inclusive Teams

Satisfaction. Workers in non-inclusive teams are 10 times less likely than their colleagues in inclusive teams to report being very satisfied with their job (6% of workers in non-inclusive teams versus 61% of workers in inclusive teams).

Success. Workers in non-inclusive teams are also 2.5 times less likely to be recognised and supported. In the past 12 months, less than a third (31%) of workers in non-inclusive teams received constructive performance feedback, versus 83% of workers in inclusive teams.

Security. These workers are also 4 times more likely to leave their current employer - 38% of workers in non-inclusive teams are very likely to look for another job compared to only 8% of workers in inclusive teams.

Mental health. Being in a non-inclusive team is also linked to work having a negative impact on mental health. Workers in a non-inclusive team are 4 times more likely to feel work has a negative or very negative impact on their mental health (70% of workers in non-inclusive teams compared to 16% in inclusive teams).
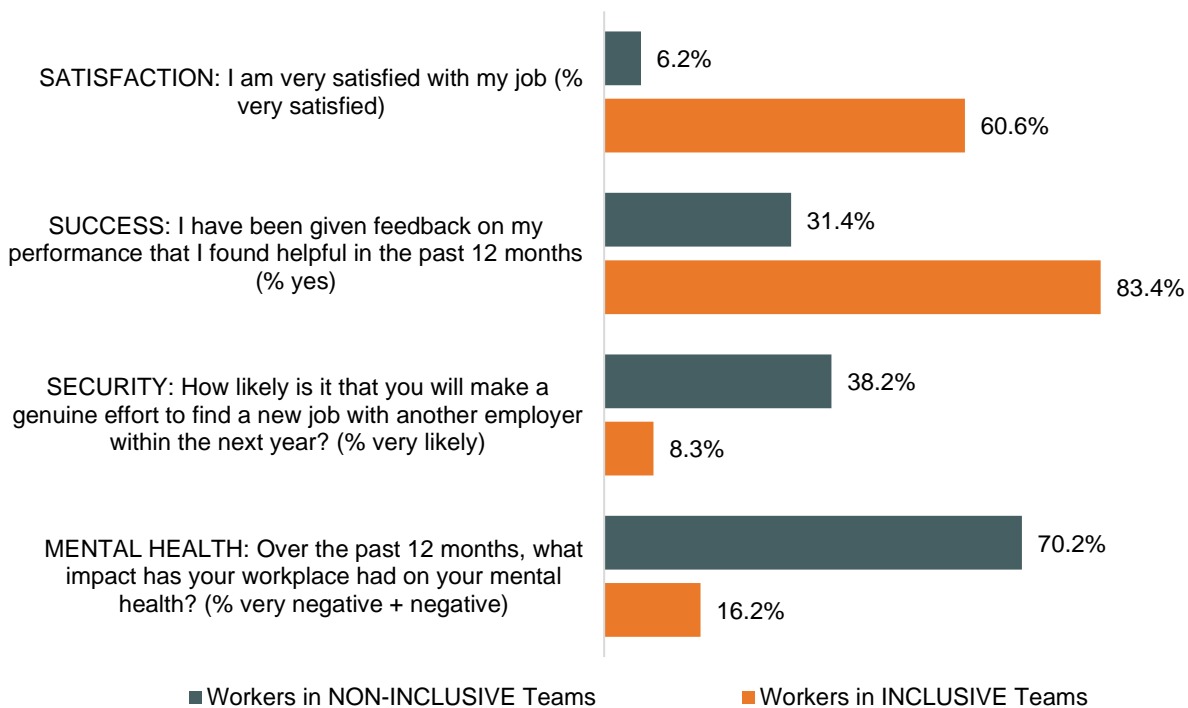

SATISFACTION: I am very satisfied with my job (% very satisfied)
- Workers in NON-INCLUSIVE Teams: 6.2%
- Workers in INCLUSIVE Teams: 60.6%

SUCCESS: I have been given feedback on my performance that I found helpful in the past 12 months (% yes)
- Workers in NON-INCLUSIVE Teams: 31.4%
- Workers in INCLUSIVE Teams: 83.4%

SECURITY: How likely is it that you will make a genuine effort to find a new job with another employer within the next year? (% very likely)
- Workers in NON-INCLUSIVE Teams: 38.2%
- Workers in INCLUSIVE Teams: 8.3%

MENTAL HEALTH: Over the past 12 months, what impact has your workplace had on your mental health? (% very negative + negative)
- Workers in NON-INCLUSIVE Teams: 70.2%
- Workers in INCLUSIVE Teams: 16.2%

■ Workers in NON-INCLUSIVE Teams   ■ Workers in INCLUSIVE Teams

Figure 4: Impact of Non-Inclusive Teams on Wellbeing

Inclusive Managers

Having a non-inclusive manager also significantly reduces employee satisfaction, success, and security.

Inclusive managers value differences, seek out ideas from a diversity of staff, treat everyone fairly, and deal with inappropriate behaviour. In contrast, non-inclusive managers reduce their staff's:

satisfaction. Workers who report to a non-inclusive manager are 5 times less likely to be very satisfied with their job than someone who reports to an inclusive manager (11% versus 64%)

success. Workers with non-inclusive managers are also half as likely to be recognised and supported. In the past 12 months, only 38% of workers with non-inclusive managers received constructive performance feedback compared to 88% of workers with inclusive managers

security. These workers are 3.5 times more likely to leave their current employer in the next year (31% of workers with non-inclusive managers were very likely to look for another job compared to only 9% of workers with an inclusive manager), and

mental health. Having a non-inclusive manager is also linked to work having a negative impact on mental health – those with non-inclusive managers were 3 times more likely to feel work has a negative or very negative impact on their mental health (61% non-inclusive compared to 19% inclusive).

Figure 5: Impact of Non-Inclusive Managers on Wellbeing

SATISFACTION: I am very satisfied with my job (% very satisfied) — 11.3% / 63.8%

SUCCESS: I have been given feedback on my performance that I found helpful in the past 12 months (% yes) — 38.1% / 87.9%

SECURITY: How likely is it that you will make a genuine effort to find a new job with another employer within the next year? (% very likely) — 30.5% / 8.6%

MENTAL HEALTH: Over the past 12 months, what impact has your workplace had on your mental health? (% very negative + negative) — 61.3% / 19.2%

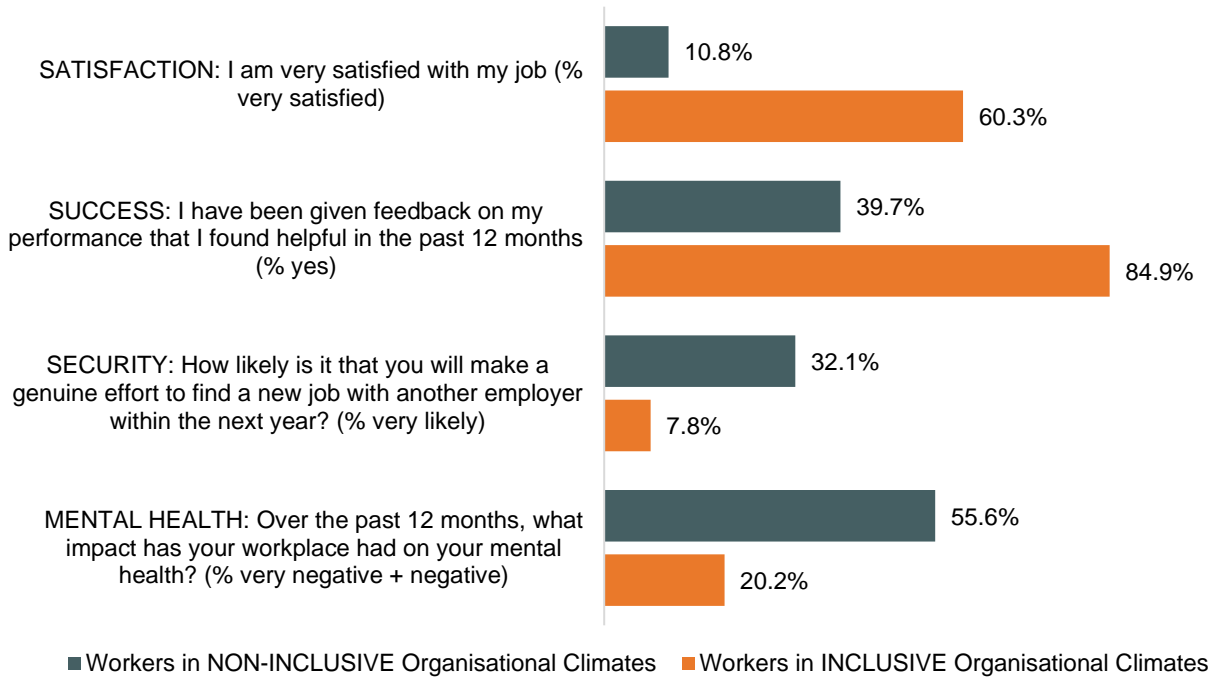■ Workers with a NON-INCLUSIVE Manager   ■ Workers with an INCLUSIVE Manager

Inclusive Organisations

Working in a non-inclusive organisational climate also has a significant negative impact on employee satisfaction, success, and security.

– **Satisfaction.** Workers in non-inclusive organisational climates are 5 times less likely to be very satisfied with their job than someone working in an inclusive organisational climate (11% versus 60%).

– **Success.** Workers in inclusive organisational climates are at least half as likely to be recognised and supported. In the past 12 months, 40% of workers in non-inclusive organisations received constructive performance feedback versus 85% in inclusive organisations.

– **Security.** These workers are 4 times more likely to leave their current employer in the next year (32% of workers in non-inclusive organisations were very likely to look for another job compared to only 8% of workers in inclusive organisations).

− **Mental health.** Workers in non-inclusive organisations are also 3 times more likely to feel work has a negative or very negative impact on their mental health (61% of workers in non-inclusive organisations compared to 19% of workers in inclusive organisations).

Figure 6: Impact of Non-Inclusive Organisational Climate on Wellbeing

SATISFACTION: I am very satisfied with my job (% very satisfied)
- 10.8%
- 60.3%

SUCCESS: I have been given feedback on my performance that I found helpful in the past 12 months (% yes)
- 39.7%
- 84.9%

SECURITY: How likely is it that you will make a genuine effort to find a new job with another employer within the next year? (% very likely)
- 32.1%
- 7.8%

MENTAL HEALTH: Over the past 12 months, what impact has your workplace had on your mental health? (% very negative + negative)
- 55.6%
- 20.2%

■ Workers in NON-INCLUSIVE Organisational Climates   ■ Workers in INCLUSIVE Organisational Climates

ENDNOTES

¹ Evans, Olivia (2021). *Gari Yala (Speak the Truth): gendered insights*, WGEA Commissioned Research Report in partnership with the Jumbunna Institute of Education and Research and Diversity Council Australia, Sydney, Australia, accessed at: https://www.dca.org.au/research/project/gari-yala-speak-truth-gendered-insights.

² Diversity Council Australia (Brown, C., D'Almada-Remedios, R., Dunbar, K., O'Leary, J., Evans, O., and Rubin, M.) *Class at Work: Does Social Class Make a Difference in the Land of the 'Fair Go'?*, Sydney, Diversity Council Australia, 2020.

³ Diversity Council Australia (Brown, C., O'Leary, J., Trau, R., Legg, A.) *Out At Work: From Prejudice to Pride*, Sydney, Diversity Council Australia, 2018, accessed at: https://www.dca.org.au/research/project/out-work-prejudice-pride.

⁴ Diversity Council Australia (Shireenjit, J., O'Leary, J., Legg, A. and Brown, C*.) Capitalising on Culture and Gender in ASX Leadership*, Sydney, Diversity Council Australia, 2017, accessed at: https://www.dca.org.au/research/project/capitalising-culture-and-gender-asx-leadership.

⁵ Identity strain is a term coined by the Gari Yala research team, which refers to the strain employees feel when they themselves, or others, view their identity as not meeting the expectations of the dominant workplace culture. The concept draws on literature demonstrating members of minority groups expend effort managing their identity in the workplace to avoid the negative consequences of discrimination, harassment, bias and marginalisation.

² Australian Bureau of Statistics, *Estimates of Aboriginal and Torres Strait Islander Australians*, accessed at: https://www.abs.gov.au/ausstats/abs@.nsf/mf/3238.0.55.001.

³ S. Hudson, *Mapping the Indigenous Program and Funding Maze*, accessed at: https://www.cis.org.au/app/uploads/2017/09/rr18-snapshot.pdf

⁴ J. Lahn, 'Aboriginal Professionals: Work, Class and Culture', *CAEPR Working Paper No. 89/2013*, 2013.

⁶ DCA, *Let's Share the Care at Home and Work: A Call to Action to Reduce the Gender Pay Gap*, Sydney, Diversity Council Australia, 2019, accessed at: https://www.dca.org.au/research/project/lets-share-care.

⁷ VicHealth et al (2012) *Preventing Race-Based Discrimination and Supporting Cultural Diversity in the Workplace (An Evidence Review;* A.L. Pieterse et al. (2012) Perceived Racism and Mental Health among Black American Adults: A Meta-Analytic Review, *Journal of Counseling Psychology* 59, no.1, pp. 1–9; R. Carter et al. (2017) Racial Discrimination and Health Outcomes Among Racial/Ethnic Minorities: A Meta-Analytic Review, *Journal of Multicultural Counseling and Development* 45, pp. 232–59; A. Elias and Y.C. Paradies (2021) The Costs of Institutional Racism and Its Ethical Implications for Healthcare, *Journal of Bioethical Inquiry,* vol 18, nr.1, pp. 45-58.

⁸ VicHealth et al (2012) Preventing Race-Based Discrimination and Supporting Cultural Diversity in the Workplace.

⁹ H. Boushey et al. (2012) There Are Significant Business Costs to Replacing Employees.

¹⁰ DCA (2021) *Inclusion@Work Index 2021-2022*: Mapping the State of Inclusion in the Australian Workforce.

¹¹ A. Markus (2011) *Mapping Social Cohesion: Scanlon Foundation Survey 2011*.

¹² K. Blair et al. (2017) Challenging Racism Project: 2015-16 National Survey Report.

¹³ https://thenewdaily.com.au/finance/work/2019/10/17/unemployment-figures-marginally-attached-australia/

¹⁴ Diversity Council Australia (O'Leary, J. and D'Almada-Remedios, R.) *DCA Inclusion@Work Index 2021–2022: Mapping the State of Inclusion in the Australian Workforce*, Sydney, Diversity Council Australia, 2021.