

HESTA consultation submission

Treasury's Economic Reform Roundtable
consultation

July 2025



Super
with
impact

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About HESTA

HESTA is a profit-to-member industry super fund investing more than \$96 billion¹ on behalf of more than one million members, who work predominantly in the health and community services sector. Our purpose is to invest in and for people who make the world better. We bring that purpose to life through Super with impact™. This, is the positive outcome we create by supporting our members to face the future with confidence, being a gutsy advocate for a fair and healthy community and delivering investment excellence with impact.

Around 80% of our members are women who work in vocationally driven and often low paid roles. They earn 16% less than their male counterparts on average², are less likely to be able to save outside their super and are more likely to have lower account balances when they retire compared to their male counterparts. Many of our members spend considerable time in unpaid care work, which adds enormous economic benefit to the country at the expense of their own financial security.

Introduction

We welcome the opportunity to contribute to the Government's Economic Reform Roundtable. HESTA's reform proposals outlined below focus on areas supporting workforce mobility and utilisation to boost economic activity and productivity, and on providing certainty for businesses and investors, encouraging innovation and investment that can decarbonise our economy.

These reforms will strengthen member retirement outcomes through increased contributions, will reduce reliance on future government support payments, and will strengthen Australia's economic resilience to climate-related risks.

HESTA is also supportive of submissions made by superannuation peak bodies, Association of Superannuation Funds and Super Members Council and the Australian Council of Superannuation Investors.

HESTA Reform Proposals

Progress research to build evidence of the economic value of unpaid care work

There are significant opportunities to improve mobility and participation of paid and unpaid workers in the care and support economy. Preliminary work by the ABS in 2024 valued the labour contribution of unpaid childcare alone to be between \$38 billion to \$89 billion³ in June quarter 2021. Finalising this research is essential to

¹ As of 16 July 2025.

² WGEA (2022). WGEA Scorecard 2022: The State of gender equality in Australia. WGEA Gender Equality Scorecard.

³ ABS, Unpaid Care, [Labour Account Australia, June 2024](#)

better understand the relationship between unpaid care and the paid labour market, and to quantify the labour contribution of unpaid care in Australia.

Accurate and comprehensive data on the value of unpaid work in the care and support economy will provide essential insights for policymakers and stakeholders, supporting efforts to improve workforce productivity and sector wages growth.

Make childcare accessible and affordable to boost participation and productivity

Access to accessible, affordable and high-quality childcare helps parents, and especially women, stay in and return to work sooner, unlocking economic value, and reducing labour shortages in critical industries, like health and community services.

Childcare reform would unlock a skilled and diverse workforce that is currently underutilised, as many parents, particularly women, step back from paid employment to take on caring responsibilities. The Grattan Institute estimate reform to childcare would result in a \$11 billion-a-year increase in GDP from the boost to workforce participation, and \$150,000 in higher lifetime earnings for the typical Australian mother⁴.

Recent government initiatives to provide more subsidised childcare for families is a positive step, but more reform is needed. The cost of childcare is especially acute on HESTA members who provide more unpaid care than the average Australian, with reduced participation impacting their retirement balances by an estimated 16%⁵. The high cost of childcare discourages participation with 28% of HESTA members indicating they would work up to three additional days a week if they could access affordable childcare⁶.

Provide certainty to business and investors on climate and nature policies

Government should set a 2035 Nationally Determined Contribution for emissions reduction that supports the Australian economy in playing its part to meet the goals of the Paris Agreement. This, together with clear and consistent regulatory settings, sectoral decarbonisation pathways and clarity on nature reform laws, would provide policy certainty and support long-term decision-making by businesses and long-term investors.

This certainty would help Australia to attract further domestic and international investment, driving innovation and the development of climate solutions, helping to reduce emissions and position Australia as a competitive player in the global low-carbon economy.

⁴ Grattan Institute (2020), [Cheaper childcare: A practical plan to boost female workforce participation](#)

⁵ HESTA internal research and modelling

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