

Pay equity as an issue has not really reached the level of debate or does not have a level of acceptance, knowledge or interest in society.¹

Cultural dimensions

...if people know about pay equity at all, they think it is equal pay.²

- 11.1 Gender pay equity is not well understood.³ There is a community perception that because there is equal pay for equal work that there is no problem and employers do not believe that pay equity is a concern in their industry.⁴
- 11.2 While most Australians know that women are paid less than men, the community in general and businesses in particular are not aware of the correct definition of pay equity:

... only 12% of people think pay equity means “equal pay for men and women doing different but equivalent jobs”. Nearly two thirds of people (63%) think it means “equal pay for men and women doing the same job” (a significantly more restrictive definition), whilst 26% of people did not know, or gave alternative incorrect answers.⁵

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- 1 Commissioner Glenys Fisher, Queensland Industrial Relations Commission, *Transcript of Evidence*, 31 March 2009, p. 5.
- 2 Ms Jenness Gardner, Manager, Pay Equity Unit, Department of Commerce, Western Australian Government, *Transcript of Evidence*, 26 February 2009, p. 4.
- 3 Ms Sandra Dann, Director, Working Women’s Centre South Australia, *Transcript of Evidence*, 6 November 2008, p. 37; Dr Patricia Todd, Senior Lecturer, Industrial Relations and Human Resources and Co-Director, Consortium for Diversity at Work, Business School, University of Western Australia, *Transcript of Evidence*, 5 November 2008, p. 57; Victorian Government, *Submission No. 136*, p. 30.
- 4 Victorian Government, *Submission No. 136*, p. 30.
- 5 Diversity Council Australia, *Submission No. 110*, p. 11.

11.3 Research in Western Australia has shown that there is:

... a high level of awareness concerning the gender pay gap in Western Australia but a low level of awareness concerning the implications of this gap within individual organisations. It found that employers did not identify a correlation between the current challenges facing human resource management and the potential benefits of conducting a gender pay equity audit. Employers also had little knowledge about the materials and tools currently available to assist them in conducting gender pay equity audits. The report identified time resources and the potential negative impacts of audits as the primary barriers to conducting the audits.⁶

11.4 Pay equity is a complex and multifaceted issue. The Independent Education Union Australia (Qld and NT) stated:

It is extremely difficult to grasp the issues involved due to the fact that the causes of pay and equity inequality in the workplace generally are historical, social, economic and embedded in existing industrial, legal and social structures ... we believe that this is one of the primary factors impeding the achievement of pay equity; people do not understand the problem and you cannot solve a problem that you do not understand.⁷

11.5 The Diversity Council Australia Ltd saw the desired outcomes as:

... a community change with regard to how we view women's working patterns, that they are different but equal and valid to men's working patterns in the community. As a fundamental productivity issue for our country moving forward, we need to address the pay inequity issue.⁸

Community cultural challenge

11.6 The ACT Council of Social Service commented that:

It is arguable that even before women enter the workforce their aspirations are shaped by societal factors, including attitudes of parents, peers, schools and the media. For example, research has

6 Department of Consumer and Employment Protection, Government of Western Australia, *Submission No. 134*, p. 27.

7 Miss Sophie Ismail, Industrial Officer, Queensland and Northern Territory Branch, Independent Education Union of Australia, *Transcript of Evidence*, 31 March 2009, p. 25.

8 Ms Nareen Young, Executive Director, Diversity Council Australia Ltd, *Transcript of Evidence*, 26 September 2008, p. 33.

shown that the more TV children watch, the more accepting they are of occupational gender stereotypes.⁹

- 11.7 Research by the Union Research Centre on Organisation and Technology over the life span revealed that there is a gender pay gap starting with children's pocket money:¹⁰

Table 11.1 A comparison of wages of males and females across their lifetime

Age (yrs)		Male	Female	Gender Gap
10	Pocket Money	\$7.60	\$6.80	89.5%
15	Part-time	\$9.38/hr	\$9.38/hr	100%
20	Delivery driver / sales assistant	\$856/week	\$623/week	72.8%
20	TAFE Qualifications	Technician \$18.68	Childcare \$15.81/hr	85%
40	Supervisor	\$26.42	\$21.32	81%
15	McDonald's part-time	\$7.43	\$7.43	100%
20	University students	Builder labourer \$15.39	Personal assistant \$15.71	102%
23	Public sector starting salary	Engineer \$54,000	Nurse \$45,000	83.4%
33		\$80,511	\$64,480	80%
45		\$112,107	\$75,868	67.5%
60		\$122,530	\$166,537	73.5%
Married couple				
	Bachelor of Education	Commence \$48,000	Commence \$47,000	98%
47		\$110,347	\$64,000	59%
55		\$135,079	\$77,546	57%

Source Union Research Centre on Organisation and Technology, Exhibit 76.

School curriculum

- 11.8 The Pay Equity Unit in Western Australia suggested that information on employment opportunities should commence before high school as girls

9 Hilary M Lips, *Blaming Women's Choices for the Gender Pay Gap*, Radford University, available at <<http://www.womensmedia.com/money/178-blaming-womens-choices-for-the-gender-pay-gap.html>>, viewed 1 October 2009.

10 Union Research Centre on Organisation and Technology, *Our sons, our daughters, Their very different futures*, April 2009, Exhibit 76.

exclude areas of further study or work at ages 8 or 9 years.¹¹ The choice of subjects at school can limit labour force options:

The AEU strongly believes there is a role here for educators and that clear careers advice and guidance is vital at an early stage in young people's lives. Post compulsory education and training, (and employment outcomes) are of course contributing to the gender segregated labour market ... It is argued that if these choices lead to different but equal outcomes then there is no problem: there are just different choices. If, however, such differences lead to better or poorer outcomes for particular groups, then it is important that such issues be explored and exposed.¹²

- 11.9 Northparkes Mines suggested that pay parity could be improved with more structured equal promotion of career opportunities to male and females at high school.¹³ Close the Gap in Scotland has also endeavoured to provide career information in schools, but cautioned that:

We encouraged the careers materials that go into schools and that schools buy to include gender equality aspects, and we also developed training for careers advisers on gender equality elements of their work which they consider when they go in and speak to schools, and individual pupils because every pupil in Scotland does get access to a careers adviser at some point during their education. What I would say though is that that level of access is minimal compared to the level of access that teachers and parents have. I think sometimes careers advisers in Scotland are unfairly blamed for occupational segregation when in reality they have a very short window of time to influence pupils' career choices.¹⁴

- 11.10 The National Foundation for Australian Women suggested the provision of school career programs incorporating wage prospects and financial planning.¹⁵ It was suggested that the New Opportunities for Women (NOW) program offered in TAFE has been able to empower the women involved and could provide a model to be provided in years 11 and 12 of high school:

11 Ms Jenness Gardner, Manager, Pay Equity Unit, Department of Commerce, Western Australian Government, *Transcript of Evidence*, 26 February 2009, p. 17; see also National Foundation for Australian Women, *Submission No. 94*, p. 7.

12 Australian Education Union, *Submission No. 76*, p. 22.

13 Northparkes Mines, *Submission No. 10*, p. 2.

14 Ms Emma Ritch, Manager, Close the Gap, *Transcript of Evidence*, 11 August 2009, p. 9.

15 National Foundation for Australian Women, *Submission No. 94*, p. 15.

If we could give all the women and boys at school some of this information of how to negotiate, how to do job applications, how to identify jobs, how to analyse a job that is coming up, the right sorts of questions to ask of the employer and generally a much better understanding of what getting a job entails, we would give them more ammunition.¹⁶

- 11.11 EOWA also suggested a 'targeted education of young people in schools about the gender pay gap should be considered'.¹⁷ There is a lack of awareness about the existence of pay inequity and there needs to be education in schools as young women making choices about occupations are not aware of the problems.¹⁸ The Construction, Forestry, Mining and Energy Union would like to see educational awareness and careers advice on the occupations available. For example, a crane driver and those who operate sophisticated machinery on construction and mining sites are highly paid and this information should be available to those making career choices.¹⁹
- 11.12 Further, education in relation to discrimination could commence in schools in terms of appropriate behaviour and standards. The Australian Human Rights Commission provides school education kits and this approach could also be included in the curriculum.²⁰ The Equal Employment Opportunity Network of Australasia also called for students to be taught negotiation skills and provided with information about their rights as employees and avenues of information before they enter the workforce.²¹ The experience of the Kingsford Legal Centre is that young people do not seek legal advice and do not push for their rights.²² Business and Professional Women Australia advocated for the inclusion of training on the rights and responsibilities and how to negotiate a pay rise earlier in the school curriculum.²³

16 Ms Maidie Brockman, Member, Business and Professional Women Australia, *Transcript of Evidence*, 5 November 2008, p. 9.

17 Equal Opportunity for Women in the Workplace Agency, *Submission No. 113*, p. 22.

18 Dr Christine Short, *Transcript of Evidence*, 19 March 2009, p. 4.

19 Mr John Sutton, National Secretary, Construction, Forestry, Mining and Energy Union, *Transcript of Evidence*, 1 April 2009, p. 34.

20 Ms Shirley Southgate, Principal Solicitor, Kingsford Legal Centre, *Transcript of Evidence*, 1 April 2009, p. 46.

21 Equal Employment Opportunity Network of Australasia, *Submission No. 85*, p. 3.

22 Ms Shirley Southgate, Principal Solicitor, Kingsford Legal Centre, *Transcript of Evidence*, 1 April 2009, p. 46.

23 Mrs Sandra Cook, Director of Policy, Business and Professional Women Australia, *Transcript of Evidence*, 5 November 2008, p. 9.

- 11.13 Unless there is a grounding from the bottom up and high paid professions are presented differently, women will not choose them.²⁴ Research by Turner Zeller et al (2007) found that girls were unaware of job availability or pay rates for the career of their choice.²⁵
- 11.14 The National Council of Jewish Women endorsed this view:
- A deficient system of information dissemination and career 'guidance' tends to continue the promotion of highly feminized, and most often low paid, low skill requirement industries, to women from school age right through to older workers, as recommended study and work pathways.²⁶
- 11.15 The Australian Curriculum, Assessment and Reporting Authority is responsible for the development of Australia's national curriculum from Kindergarten to Year 12 for implementation from 2011. The curriculum will outline the essential skills, knowledge and capabilities that all young Australians are entitled to access, regardless of their social or economic background or the school they attend.
- 11.16 The *Australian Curriculum, Assessment and Reporting Authority Act 2008* requires that the Authority 'perform its functions and exercise its powers in accordance with any directions given to it by the Ministerial Council'. Accordingly the Committee recommends that:

Recommendation 63

That the Minister raise with the Ministerial Council of Education, Early Childhood Development and Youth Affairs a matter relating to review of curriculum and careers advice/course selection processes in all educational institutions for gender stereotyping.

24 Mrs Sandra Cook, Director of Policy, Business and Professional Women Australia, *Transcript of Evidence*, 5 November 2008, p. 11.

25 Turner-Zeller K and Butler E, 2007, Lifelong learning: Work related education and training: Meeting the needs of Australian Women at < http://www.wave.org.au/images/documents/lifelonglearningaug07_s4w.pdf > cited in Australian Education Union, *Submission No. 76*, p. 22.

26 National Council of Jewish Women of Australia Ltd, *Submission No. 81*, p. 5.

Higher education

11.17 University of Western Sydney commented that:

Within a higher education context, an opportunity also exists to incorporate education on gender pay equity and work value in the curriculum of management courses.²⁷

11.18 The Union Research on Organisation and Technology stressed the importance of the sex segregation of the Australian workforce and suggested a media campaign to inform undergraduates and post graduates of the potential outcomes of their career choices.²⁸

11.19 Research conducted by Turner-Zeller and Butler (2007) on the vocational education and training sector highlighted the need to:

- Provide quality advice and information about training pathways for women.
- Establish pre-enrolment recognition of prior learning that is accessible, relevant, not expensive or cumbersome and is well understood or publicised by VET. This is especially significant for older women, women returning to work and retraining.
- Include in training, where appropriate, work placements for women and courses for older women re-entering training.
- Offer training that is appropriately timed, flexible and appropriate for women, taking into account their career cycles.
- Include access to on the job training for women to support their skills development and transfer.
- Establish support services such as childcare, entry advice, course selection and career guidance services as part of regular operations.²⁹

11.20 The National Council of Jewish Women Australia commented that:

A whole of government approach to the VET system and its links to employment of women, including the development of gender sensitive research, planning, monitoring and reporting systems synthesizing local, state and national policy, is required to meet the needs of women and young girls' economic security and financial well being. This in turn, will enhance the nation's skill

27 University of Western Sydney, *Submission No. 86*, p. 3.

28 Ms Robyn Dale, Director, Union Research Centre on Organisation and Technology, *Transcript of Evidence*, 3 April 2009, p. 23.

29 Turner-Zeller K and Butler E, 2007, *Lifelong Learning and Work Related Education and Training for Women returning to work and retraining*, Security 4Women, p. ii.

base, and economic competitiveness, as well as contributing to a more equitable and less divisive society.³⁰

- 11.21 The Equal Employment Opportunity Network of Australasia would like to see the publication of tables of corporate remuneration.³¹ Both employees and employers would benefit from information to assist in the bargaining process.³² It would be instructive to inform women and men of the potential earnings of their career choices.

Employee entitlements

- 11.22 Unequal pay is a problem that affects women at all levels of the Australian workforce and its solution lies in overcoming stereotypes and achieving genuine cultural change, both within the workplace, and in society generally.³³ Women take it for granted that they have to make sacrifices in balancing work and family commitments.³⁴

- 11.23 Research in Victoria found that:

Notwithstanding the long history of entrenched differences in pay outcomes for women and men, gender-based pay equity is not an issue of concern for most employees. This finding highlights the need to focus on improving information and developing capability to understand and respond to equity issues. Participants in pay equity focus groups assume that there is no difference in the pay outcomes between women and men doing the same work and see pay equity as a 'non issue'. Anecdotal examples of 'unfair' treatment are not typically regarded as evidence of systemic, gender-based discrimination. For the most part, focus group participants accepted gender-based occupational segregation and preparedness to work long and unsociable working hours as legitimate explanations of the pay differential. Given this experience, it is unlikely that unions or employers will come under pressure from their members and employees to address pay

30 National Council of Jewish Women of Australia Ltd, *Submission No. 81*, p. 5.

31 Equal Employment Opportunity Network of Australasia, *Submission No. 85*, p. 3.

32 Equal Employment Opportunity Network of Australasia, *Submission No. 85*, p. 4.

33 Equal Opportunity for Women in the Workplace Agency, *Submission No. 113*, p. 11.

34 Dr Patricia Todd, Senior Lecturer, Industrial Relations and Human Resources and Co-Director, Consortium for Diversity at Work, Business School, University of Western Australia, *Transcript of Evidence*, 5 November 2008, p. 58.

equity. Acting to remedy inequity will require both unions and business to take a leadership role.³⁵

- 11.24 The provision of education and information is the preferred approach rather than relying on women to make complaints. Business and Professional Women Australia commented that more information is needed on women's employment conditions and remuneration.

The Working Women's Centres regularly receive calls from women who are, for instance, outraged that they will not receive paid maternity leave – up until the time of their pregnancy they believed they would be entitled to paid time off. General disbelief is expressed whenever there are conversations amongst employers and employees about the gender wage gap. There is a general assumption that in Australia women have won equal pay and that is usually where the analysis ends. Little or no account is taken of the impact of time out of the paid workforce to bear and raise children or to attend to other caring responsibilities, most likely carried out by women, nor of the impact of this on superannuation entitlements or capacity for lifetime earnings.³⁶

Non-traditional occupations

- 11.25 Notwithstanding a number of initiatives over the last two decades, women have not moved into non-traditional occupations to the extent that may have been hoped. The Diversity Council Australia Ltd commented that not everyone wants to work in a non-traditional areas for various reasons and this has not occurred after 30 years of campaigns.³⁷

- 11.26 Whitehorse City Council stated:

... Council would be keen to see an Australia-wide investment at the secondary schooling level in encouraging women into non-traditional roles and careers. Local Government is a large employer of women, but they continue to be segregated into a small range of occupations, and there are relatively fewer women in senior management roles in the sector compared to the total numbers of women workers in the sector. For example over sixty percent of the City of Whitehorse workforce are women, including

35 Victorian Women's Trust, *Submission No. 123*, p. 6 citing the pay equity audits conducted by Industrial Relations Victoria and an outcome of work and family focus groups conducted for IRV and IRV pay equity program.

36 Working Women's Centres, *Submission No. 119*, p. 3.

37 Ms Nareen Young, Executive Director, Diversity Council Australia Ltd, *Transcript of Evidence*, 26 September 2008, p. 39.

the Chief Executive Officer, but in the senior management ranks only 32% of these managers are women. This may be partly due to the dearth of women putting themselves forward for these roles, or because of the perceived sacrifices all managers need to make to succeed. These sacrifices may be deemed unacceptable for women who seek work/life balance.³⁸

11.27 The point was made, however, that it is not a simple a matter of earnings. In careers such as the trades, workplace culture may also need to be addressed to encourage women to pursue these options.³⁹ Strategies to increase female participation in industries that are predominantly male will need to address workplace culture because 'there are a number of workplaces that are still quite toxic in terms of their approaches to women in particular'.⁴⁰

11.28 The Commissioner for Equal Opportunity Western Australia added that something would need to be done about the work environment and that 'some of the worst elements of the culture in some of those areas have not changed' and it is not surprising that women do not want to continue in that workplace.⁴¹ The Master Builders Association considered that organisational culture was a major obstacle to increasing female employment in the industry.⁴² A regional council noted:

There is still a degree of traditional scepticism about the ability of women to do specific jobs and while this is diminishing it still exists and it is difficult to change entrenched perceptions. Positive promotion of achievements by individuals and groups will continue to remove more barriers to equity.⁴³

11.29 Northparkes Mines suggested that pay parity could be improved with a 'targeted communication strategy across media to attract females into non-traditional roles' and

38 City of Whitehorse, *Submission No. 89*, p. 4.

39 Ms Robyn Dale, Director, Union Research Centre on Organisation and Technology, *Transcript of Evidence*, 3 April 2009, p. 24.

40 Ms Jenness Gardner, Manager, Pay Equity Unit, Department of Commerce, Western Australian Government, *Transcript of Evidence*, 26 February 2009, p. 16.

41 Ms Yvonne Henderson, Commissioner for Equal Opportunity, Western Australia, *Transcript of Evidence*, 5 November 2008, pp. 76-77.

42 Master Builders Association, *Submission No. 93*, p. 6.

43 Shire of York, *Submission No.7*, p. 2

register of preferred employers or businesses that specifically not only target female employees into their workforce, but actively work to achieve fair access to training and promotion.⁴⁴

- 11.30 Group Training Australia suggest that the reasons more men than women are entering the trades and the occupational segregation may include 'females not wishing to undertake the type of work in some trades and their knowledge of the trade due to the gender stereotyping'.⁴⁵ GTA suggested that more information is needed on the 'impact of lower wages for apprentices in female dominated industries on their commencement in a trade' and the barriers to the participation of women in male dominated apprenticeships.⁴⁶
- 11.31 The Western Australian Local Government Association saw some value in highlighting employment opportunities in areas not traditionally undertaken by women but not on broader information programs.⁴⁷
- 11.32 Another matter raised by GTA was the lack of promotion of all trades during career counselling or employment and training organisations and the need to that employment bodies and career advisors have the required knowledge of pay equity as well as an understanding of the trades.⁴⁸ It is easier for young women to find unskilled work straight from school.

Union processes

- 11.33 Traditionally, collective bargaining and collective agreements have not been used as often as they could to promote equal pay for work of equal value, both in Australia and in other jurisdictions. The ACTU and Joint State Union Peak Councils called for information collected by the Pay Equity Unit to be available in sufficient detail to assist unions and employees participating in the bargaining processes.⁴⁹
- 11.34 Equal Employment Opportunity Network of Australasia stated:

The value of jobs in male dominated industries compared to those in female dominated industries is an issue. For blue collar work, this stems largely from the industrial muscle and historic concentration of unions. Many male dominated industries (metals,

44 Northparkes Mines, *Submission No. 10*, p. 2.

45 Group Training Australia, *Submission No. 45*, p. 9.

46 Group Training Australia, *Submission No. 45*, p. 18.

47 Western Australian Local Government Association, *Submission No. 40*, p. 5.

48 Group Training Australia, *Submission No. 45*, p. 19.

49 Australian Council of Trade Unions (ACTU) and Joint State Union Peak Councils, *Submission No. 125*, p. 29.

mining, construction, shipping, transport) have traditionally had strong unions who have been able to use industrial power to achieve higher rates of pay, possibly higher than the true value of the jobs.⁵⁰

11.35 The Tasmanian Chamber of Commerce and Industry found that:

The process of union collective bargaining is often alienating to women who see it as unduly confrontational and not something with which they wish to be associated. Agreement making where employers and employees engage directly in discussions allows a negotiation that more likely to involve all, and less likely to be confrontational.

In addition, women are more likely to more highly value flexible working conditions and family friendly work places and will accept lower wages outcomes for these arrangements.⁵¹

11.36 The Epping Club added that the advice given to employees by unions often had 'no place in the current employment market'.⁵²

11.37 The new Equal Pay Alliance was formed in order to promote equal pay and equal employment opportunities for all Australians. The ACTU is a member of the Alliance.

11.38 As discussed in Chapter 7, there is potentially a significant role for unions through their participation in advisory committees to the development of policies through activities of the Pay Equity Unit. This will streamline the preparation of relevant information for unions and also act as an educative process on an industry basis.

Employers

11.39 Research by Dr Christine Short showed that:

... the majority of employers and even of employer representatives were unaware that Western Australian women were still paid a great deal less (25% less) than Western Australian men. They also put this difference down to part time work when it is very clear that this is not the only cause.⁵³

50 Equal Employment Opportunity Network of Australasia, *Submission No. 85*, p. 3.

51 Tasmanian Chamber of Commerce and Industry, *Submission No. 87*, p. 3.

52 Epping Club, *Submission No. 12*, p. 1.

53 Dr Christine Short, *Submission No. 128*, p. 1.

11.40 There is a cultural approach to the way people perceive 'which gender should do which role and then the encouragement and the processes that are put in place by management:

... through a process of engaging and educating and mandating some of the types of outcomes that we need, we will break down that culture, but if we leave it to the market, as it were, we are running on the same ground, we are not getting anywhere. So we need to intervene and we need some action around it.⁵⁴

11.41 Ms Philippa Hall, Director, New Zealand Pay and Employment Equity Unit, cautioned that:

the 'issue is always positioned as 'out there' and back then'. The fact that it is here in our place, it is a current issue, it is way worse than we would have imagined and we turn out to be considerably worse than other organisations in our sector – those were all big shocks.⁵⁵

11.42 The Diversity Council Australia added that the:

... business community have a low awareness and understanding of what 'pay equity' means, the size of the pay equity gap, what causes pay equity, and how pay equity can be addressed. Arguably, this is the key factor adversely impacting on pay equity in Australia.⁵⁶

11.43 Research by Business and Professional Women has shown that while 94 per cent of employers are aware of the gender pay gap and agree that something needs to be done, 61 per cent did not know how to go about it.⁵⁷

11.44 Some employers have been proactive in reaping the benefits of a pay equity approach. Many private firms have undertaken diversity initiatives. ETSA Utilities, for example, have established a Diversity Working Group to remove barriers to diversity.⁵⁸

54 Mr Rodney Masson, National Director, Finance Sector Union of Australia, *Transcript of Evidence*, 3 April 2009, p. 30.

55 Ms Philippa Hall, Director, Pay and Employment Equity Unit, Department of Labour, New Zealand, *Transcript of Evidence*, 13 August 2009, p. 11.

56 Diversity Council Australia, *Submission No. 110*, p. 10.

57 Mrs Sandra Cook, Director of Policy, Business and Professional Women Australia, *Transcript of Evidence*, 5 November 2008, p. 3.

58 For example, ETSA Utilities, *Submission No. 67*, p. 1-3.

11.45 Rio Tinto has a 17 per cent female participation rate in the workforce and have a 10 per cent differential between male and female employees compared to an industry differential of 24 per cent.⁵⁹ The advancement of pay equality and improved female participation in the workplace will occur as employers recognise the benefit to their organisation.⁶⁰

11.46 Jones Lang LaSalle have developed a kit for Chief Executive Women which brings pay equity to the forefront and uses an analytical and fact based approach to look at women's participation in the workforce and assist in recognising untapped talent.⁶¹

11.47 The AEU stated that:

From a business case perspective, pay equity is seen as providing organisations with a competitive advantage in attracting and retaining a skilled and more productive workforce ... equity enhances the capacity of business to attract a broader range of quality employees in a competitive job market, reduces staff turnover, results in less absenteeism and lateness, enhances staff performance and motivation and improves productivity, providing a competitive edge and innovation contributing to improved effectiveness.⁶²

11.48 Organisations can communicate their commitment to staff by remunerating employees equally and this will be reflected in increased job satisfaction, increased productivity and employee loyalty.⁶³ Individual businesses can be encourage to act on pay inequity by providing advice and methodologies; including clauses in industrial instruments and promoting pay equity as a key indicator of good business practice.⁶⁴ Pay equity audits can provide an indication of 'the overall "health" of their business culture and the alignment of business strategy with business practice and it has been shown that:

- The pay gap in earnings between women and men varies in direct relation to the level of managerial discretion over pay and conditions;

59 Rio Tinto, *Submission No. 62*, p. 3.

60 Rio Tinto, *Submission No. 62*, p. 6.

61 Jones Lang LaSalle (NSW) Pty Ltd, *Submission No. 69*, p. 1.

62 Australian Education Union, *Submission No. 76*, p. 21.

63 EOWA web-site. Available at:

<http://www.eowa.gov.au/Australian_Women_In_Leadership_Census/About_Equal_Opportunity/Why_EO_Makes_Business_Sense.asp>, viewed 1 October 2009.

64 Victorian Women's Trust, *Submission No. 123*, p. 7.

- The structure and spread of working hours can build or remove barriers to entry for many women;
- The payroll data in many businesses is inadequate to support effective people management and specifically to monitor pay equity responsibilities;
- Managers need the tools, skills and incentives to actively manage pay equity as a core deliverable.⁶⁵

11.49 The Diversity Council of Australia found that:

Our experience, and this is international research as well, is that the leadership from the top issue is important. Every bit of research service says that where your chief executive officer is committed to diversity change then it is going to happen. In fact, the resistance usually occurs at those supervisory and management levels and often it is simply a matter of, 'This is more work.'⁶⁶

11.50 Further, Business and Professional Women commented that while some information is available on companies with more than 100 employees through EOWA, but small and medium sized businesses are not required to share information on best practice:

Greater education and information sharing will allow all parties to negotiate for more equitable workplaces leading to greater participation and productivity.⁶⁷

11.51 The Burwood Council commented that:

Advancement of the careers of women has also been impeded by employers notions or concerns that female employees may have future work/family choices that may cause an inconvenience on the workplace. A radical shift in thought across the nation is required and world best practices, especially those that have been in place in Europe over several decades, now need to be encouraged in Australia.⁶⁸

11.52 The ACT Council of Social Services added that:

... anticipated family responsibilities can shape women's decisions about the amount and kind of investment in training and education. Because women expect to spend less time in the

65 Victorian Women's Trust, *Submission No. 123*, p. 7.

66 Ms Nareen Young, Executive Director, Diversity Council Australia Ltd, *Transcript of Evidence*, 26 September 2008, p. 41.

67 Business and Professional Women Australia, *Submission No. 117*, p. 2.

68 Burwood Council, *Submission No. 73*, pp. 1-2.

workforce than men, it is less profitable for women to invest in market-orientated skills.⁶⁹

- 11.53 Similarly, the Independent Education Union of Australia included in a list of things impacting on women's earnings:

... employers' negative perceptions about the effect of family responsibilities on work performance, attitude and loyalty to the organisation, which in turn may affect remuneration and promotional aspects.⁷⁰

- 11.54 Men do not have the break in employment and are seen as being more stable and are moved into senior and management positions.⁷¹ However, situations in which a male travels overseas for a number of years appear to be treated differently on return from a female who has been absent because of family responsibilities. Working Women's Centre South Australia observed an elevated level of bullying in the workplace after a return to work from maternity leave or after an accident.⁷²

- 11.55 There is a perception that it is less valuable to invest in women than men or that men are more suited to management jobs.⁷³ For those wishing to take family friendly work opportunities, there is also a perceived risk to job security and career progressions.⁷⁴ In relation to combining part time work, caring responsibilities and access to existing entitlements, the CPSU referred to the need for a change in culture among managers and employers.⁷⁵

- 11.56 Within the culture of organisations and workplaces, there is a view that part time employees are less committed.

At the same time employers must be proactive in not only offering (and accommodating) part time work but advocating a workplace culture that embraces non standard working hours. This will work to dismiss any perception that if you work part time you are not committed to a career in the organisation. This stigma attached to

69 ACT Council of Social Services, *Submission No. 54*, p. 4.

70 Independent Education Union of Australia, *Submission No. 100*, p. 6.

71 Mr Steven Ross, Industrial Officer, Queensland Nurses Union, *Transcript of Evidence*, 31 March 2009, p. 57.

72 Ms Sandra Dann, Director, Working Women's Centre South Australia, *Transcript of Evidence*, 6 November 2008, p. 44.

73 Dr Christine Short, *Transcript of Evidence*, 19 March 2009, p. 3.

74 ACT Council of Social Services, *Submission No. 54*, p. 5.

75 Community and Public Sector Union, *Supplementary Submission No. 13.1*, p. 22.

part time work is seen by some researchers as being even more of an issue for men.⁷⁶

11.57 A survey conducted by Association of Professional Engineers, Scientist, Managers, Australia found that 'even where part-time work is reported as available, in some cases utilising this option may be more difficult due to workplace culture and potential impact on a person's career.'⁷⁷

11.58 Chevalier College commented that:

In general, part-time workers are highly dedicated and committed members of an organisation's staff. Women juggling career responsibilities with family demands need flexible work arrangements, such as flexi-time, job sharing and the opportunity to work from home. Choosing to work part-time should not be seen as a career disadvantage.⁷⁸

11.59 Diversity Council Australia stated:

These intermittent employment patterns are likely to have a negative impact on employment market participation/career progression because of persistent historic negative community attitudes to 'women's working patterns'. Finally, women with care-giving responsibilities may be subject to other workplace participants' negative perceptions about the effect of family responsibilities on work performance, attitude and loyalty to an organisation and the employment market more generally. In turn, this may affect remuneration, access to higher remuneration both within organisations and in the wider employment market, and promotional prospects.⁷⁹

11.60 Much of this could also be attributed to 'intellectual laziness by managers. It is extremely difficult managing a part time workforce'.⁸⁰ The City of Whitehorse added that:

76 Department of Consumer and Employment Protection, Government of Western Australia, *Submission No. 134*, p. 46 citing Nader C, 2008, 'Lives in the Balance', *The Age*, July 26, p. 4 quoting Melbourne Institute Deputy Director Professor Mark Wooden.

77 Association of Professional Engineers, Scientist, Managers, Australia, *Submission No. 121*, p. 33.

78 Chevalier College, *Submission No. 82*, p. 1.

79 Diversity Council Australia, *Submission No. 110*, pp. 8-9 citing New South Wales Office of Industrial Relations (2004). *Why is there a gap between men's and women's earnings?* Available at: <<http://www.workandfamily.nsw.gov.au/payequity/gap.html>>.

80 Ms Jenness Gardner, Manager, Pay Equity Unit, Department of Commerce, Western Australian Government, *Transcript of Evidence*, 26 February 2009, p. 9.

In some cases the reluctance to experiment with flexible options at a senior level in local government is based on commitments to community and elected representatives, where it is assumed that a flexible arrangement will not work. Alternatively the assumption may be based on previous experience, where poor incumbent fit in the role, or where the flexible arrangement was an inappropriate match with the role rather than the flexibility itself. There is an opportunity for Council to 'challenge' some of the traditional thinking about how roles are 'structured' at a senior level to enable both the individual needs of women and the business to be met.⁸¹

11.61 The fastest way to change attitude and culture is to have high-performing men with child care or eldercare responsibilities undertake flexible working arrangements.⁸² The reasons men do not utilise family-friendly workplace arrangements include a lack of awareness about what is available, concerns about money, concerns about adverse effects on careers, fears about job security, negative attitudes of supervisors and an overall perceived lack of support'.⁸³

11.62 Women's Health Victoria stated:

Increasingly, men are taking on those roles that are not traditional for men. They talk about the way in which they are treated in the workplace as being less dedicated or less interested in the business or company and how therefore they are overlooked for promotion in the way that women are when they choose to have that balance in their lives. Also, men still talk about the way in which they are treated when they take the child to child care or occasional care, which is as the odd one out.⁸⁴

11.63 The Australian Human Rights Commission commented that business now understand the language for child care need but have some way to go in relation to the episodic nature of elder care.⁸⁵

11.64 EOWA suggested the development of a community education programme on the gender pay gap include an element specifically targeted toward

81 City of Whitehorse, *Submission No. 89*, p. 2.

82 Commissioner Elizabeth Broderick, Sex Discrimination Commissioner, Australian Human Rights Commission, *Transcript of Evidence*, 1 April 2009, p. 10.

83 Human Rights and Equal Opportunity Commission, 2007 *It's About Time Women, men, work and family Final Paper 2007*, p. 87.

84 Ms Marilyn Beaumont, Executive Director, Women's Health Victoria, *Transcript of Evidence*, 2 April 2009, p. 42.

85 Commissioner Elizabeth Broderick, Sex Discrimination Commissioner, Australian Human Rights Commission, *Transcript of Evidence*, 1 April 2009, p. 10.

employers and informing them on the realities and issues of this fundamental workplace inequity.⁸⁶

- 11.65 The preparation of Employer and Employee Guidelines in relation to workers with family and carer responsibilities, setting out rights and responsibilities, including a specific focus on small business and a major public awareness campaign would be of assistance.⁸⁷ The Centre for Work + Life also made five recommendations in relation to information for employers and employees:
- all employers be required to provide with a simple information sheet on the wages and conditions applicable to their situation;
 - minimum wage, annual adjustments and penalties for non-payment be set out clearly and accessible to employers and employees;
 - information and advice be provided to employees and employers about negotiating rights and processes and further avenues of support and representation;
 - the government support independent specialist advice and advocacy services for vulnerable workers; and
 - the government establish a Small Business Advocate to assist small business avoid and resolve cases of unfair dismissal, including by developing codes of practice.⁸⁸

Women in Leadership

It is not women against men ... and not that the world will be a better place if women run it, but that the world will be a better place when women who bring their perspectives share in running it.⁸⁹

- 11.66 The World Economic Forum's Global Gender Gap Report 2008, a World Economic Forum's Executive Opinion Survey 2008 question was put: 'In your country, do businesses provide women the same opportunities as men to rise to positions of leadership? (1 = no, women are unable to rise

86 Equal Opportunity for Women in the Workplace Agency, *Submission No. 113*, p. 22.

87 Human Rights and Equal Opportunity Commission, 2007 *It's About Time Women, men, work and family Final Paper 2007*, p. xx.

88 Centre for Work + Life, 2007, *Women and WorkChoices, Impacts on the Low Pay Sector*, August 2007, p. 15.

89 Ms Linda Bennett, Women's Policy Officer, Victorian Local Government Association, *Transcript of Evidence*, 24 October 2008, p. 4, citing a statement by Indira Patel of the British Women's National Commission from a 2002 visit to Victoria.

to positions of leadership, 7 = yes, women are often in management positions).⁹⁰ In Australia the ability for women to rise to enterprise leadership was rated at 4.75.⁹¹

11.67 The Minister for the Status of Women stated at a recent Australian Women's Leadership Symposium that

The Government is committed to boosting and supporting women's leadership in the public sector, business and the broader community and is implementing a range of measures to realise this goal.⁹²

Current situation

11.68 The most recent EOWA Census of Women in Leadership Report was released on 28 October 2008. This report revealed that,

the number of women on boards and in executive management positions has declined since 2006, and in some cases reverted to pre-2004 levels. Australia now trails the USA, UK, South Africa and New Zealand.⁹³

Table 11.2 EOWA Australian Census of Women in Leadership 2008

Gender Data	Number of Women	Total Number	% of Women
Chairs	4	200	2.0%
CEOs	4	201	2.0%
Board directors	125	1504	8.3%
Line executive management positions	72	1215	5.9%
Support (staff) executive management positions	110	485	22.7%
Executive managers	182	1700	10.7%

Source EOWA Australian Census of Women in Leadership 2008, Key Findings – Census Factsheet.

90 World Economic Forum, 2008, *The Global Gender Gap Report 2008*, p.37.

91 World Economic Forum, 2008, *The Global Gender Gap Report 2008*, p. 43.

92 Plibersek, T (Minister for the Status of Women), speech, 2009 Australian Women's Leadership Symposium, Canberra, 17 June 2009.

93 Equal Opportunity for Women in the Workplace Agency, 2008 *EOWA Australian Census of Women in Leadership, Women's glacial progress melts away*, media release, Sydney, 28 October 2008.

- 11.69 More recently, on 17 June 2009, EOWA released *Pay, Power and Position: Beyond the 2008 EOWA Australian Census of Women in Leadership* which provided further analysis of EOWA's Census of Women in Leadership. According to EOWA, despite women's low overall representation at board director level (approximately 12 male board directors to every female board director) once appointed women appear to be at least as influential as their male counterparts.⁹⁴

Necessary changes

- 11.70 Change in attitude needs to occur across organisations and industries, public and private sector. Women into Politics highlighted this issue, Some trades unions, administered by mainly male officers, traded off women's claims for equal pay or maternity leave for wage increases when it came to the crunch in award negotiations.⁹⁵
- 11.71 In explaining the situation for women councillors, the Victorian Local Government Association stated that:
- the formal democratic participation of women is unlikely to reach anywhere near 50 per cent unless the dual issues of remuneration and working conditions in local government for elected councillors are addressed.⁹⁶
- 11.72 Some local government's explained the sorts of methods to increase the number of women in leadership roles. For example the City of Melbourne indicated,
- ...we have a women in leadership strategy in place, and that is primarily focused around looking at how we develop and build the talent of women in the organisation to take on senior leadership roles. At the moment 55 per cent of our workforce are women, but only 25 per cent are represented in senior leadership roles. That has recently been improved with the appointment of a female CEO. The issue for us is really around the associated issues, looking at how women return to the workforce part time, perhaps from maternity leave, and ensuring our operational requirements

94 Equal Opportunity for Women in the Workplace Agency, *Women directors may punch above their weight but women execs are on the ropes: EOWA Report*, media release, Sydney, 17 June 2009.

95 Women Into Politics Inc, *Submission No. 49*, pp. 4-5.

96 Ms Linda Bennett, Women's Policy Officer, Victorian Local Government Association, *Transcript of Evidence*, 24 October 2008, p. 5.

enable them to do that, and also looking at training, development and promotional opportunities.⁹⁷

11.73 Similarly, the City of Greater Geelong referred to:

...running a number of leadership programs throughout the organisation to encourage more women to consider jobs at the managerial and team leader level. There is some specific training that we undertake for women that will assist them if they want to take the next step into that coordinator level and managerial position level. But we are very pleased that, at the executive level, we have got a very high proportion of women serving as our general managers and our CEO.⁹⁸

11.74 Rio Tinto is also 'seeking to increase the number of women in senior management positions ... from the current level of 7% to a target rate of 20% by 2009'.⁹⁹ In an effort to address the women in leadership issues, some Rio Tinto business units have more specifically:

- applied for exemptions to prioritise the progression of female applicants for particular roles (ie operators);
- ensured female candidates were included in all external recruitment for vacant and new roles;
- ensured that internal leadership appointments include at least one female candidate on the short list; and
- continued to ensure women have access to internal leadership and development training programs.¹⁰⁰

11.75 At a Rural Women's Summit, the Minister for Agriculture, Fisheries and Forestry recognised this issue in his comment on the composition of advisory boards,

When boards keep appearing before me with about 20-25% female representation, I find it really hard to believe that the selection has been done purely on merit. I am not interested in imposing formal quotas on selection committees, but at the same time, I've got to say...that selection on merit simply cannot be occurring when

97 Ms Samantha Stanton, Team Leader, Human Resources Counselling, City of Melbourne, *Transcript of Evidence*, 24 October 2008, p. 6.

98 Mr Howard Oorloff, Manager, Organisation Development Department, City of Greater Geelong, *Transcript of Evidence*, 24 October 2008, p. 3.

99 Rio Tinto, *Submission No. 62*, p. 5.

100 Rio Tinto, *Submission No. 62*, p. 6.

women are so consistently and so blatantly underrepresented on almost every single board that is meant to be advising me.¹⁰¹

11.76 The World Economic Forum stated in its Global Gender Gap Report 2008:

Innovation requires new, unique ideas – and the best ideas flourish in a diverse environment. This implies that companies benefit by successfully integrating the female half of the available talent pool across their internal leadership structures. Studies exploring this link have shown a positive correlation between gender diversity on top leadership teams and a company's financial results.¹⁰²

11.77 The suggestions made to Commissioner Broderick included more women were needed in senior positions and that:

Increasing the representation of women at the highest levels would help challenge and change the gendered culture of workplaces and institutions.¹⁰³

Changing the culture

11.78 EOWA identified cultural change as an important factor in addressing the gender pay gap:

It is one thing to have policies in place about these things and to undertake audits and so on, but it needs an action plan at an individual business level to follow through. We think a lot of it is about cultural change in the businesses that we deal with and getting an understanding of and causes of pay equity and the solutions or possible solutions.¹⁰⁴

11.79 Historically there has been a focus on discrimination against women which needs to change to one of gender equality and this will require a significant shift in workplace culture:

101 Hon. Tony Burke, (Minister for Agriculture, Fisheries and Forestry), transcript of speech, Rural Women's Summit, Canberra, 27 June 2008. Transcript at <http://www.maff.gov.au/transcripts/transcripts/2008/june_2008/rural_womens_summit>, viewed 30 September 2009.

102 World Economic Forum, *Global Gender Gap Report 2008*, 2008, p.22, citing Catalyst, *The Bottom Line: Connecting Corporate Performance and Gender Diversity*, 2004.

103 Human Rights and Equal Opportunity Commission (2008) *Gender equality: What matters to Australian women and men, the Listening Tour Community Report*, p. 7.

104 Ms Mairi Steele, Director, Equal Opportunity for Women in the Workplace Agency, *Transcript of Evidence*, 20 August 2009, p. 7.

This requires redefining central concepts such as remuneration, gender-neutral language to describe tasks and skills and developing gender-neutral analyses of job evaluation and inclusive approaches to skills acquisition and transferability. There also need to be changes to the nature of management positions such that increasing the flexibility of senior roles will make these positions more attractive for women.¹⁰⁵

11.80 Various types of discrimination can be evident in the workplace such as:

- the historical and hierarchical system in place in many workplaces which tends to group numbers of women in particular categories rather than assessing the person or valuing the position individually or specifically;¹⁰⁶
- Other women in the workplace view promotions and flexible working arrangements as favouritism and paid maternity leave are seen with envy; and ¹⁰⁷
- most Australians surveyed believe that gender pay gap should be closed.¹⁰⁸

Benefits of an educational approach

11.81 The Queensland Industrial Relations Commissioner highlighted education as 'essential and fundamental to the progressing of pay equity'.¹⁰⁹ The industrial relations system alone will not deliver pay equity and only piecemeal gains are likely to be made if the broader social agenda is not addressed.¹¹⁰

11.82 Work and Family Policy Roundtable commented that pay equity has not been an issue of public debate and the impact of education and information occurs at several levels including:

Awareness of the extent of gender pay inequity among the general population, awareness of entitlements and employment standards among employees, transparency of pay levels within

105 University of Western Sydney, *Submission No. 86*, p. 3.

106 Shire of York, *Submission No.7*, p. 1.

107 Shire of York, *Submission No.7*, pp. 1-2.

108 Diversity Council Australia, *Submission No. 110*, p. 12.

109 Commissioner Glenys Fisher, Queensland Industrial Relations Commission, *Transcript of Evidence*, 31 March 2009, p. 4.

110 Commissioner Glenys Fisher, Queensland Industrial Relations Commission, *Transcript of Evidence*, 31 March 2009, p. 6.

organisations, and an understanding of the undervaluation of 'women's work' among the industry partners (employers, unions, employees) and members of industrial tribunals.¹¹¹

11.83 The Australian Education Union concluded that:

Given these imperatives it is unjust and unwise for society to continue to accept the limitation placed on potential participants in the skilled workforce because of gendered expectations within industries/occupations and by employers and employees alike.¹¹²

11.84 Commissioner Broderick found that 'gender inequality is a pervasive and deep rooted phenomenon that will not be successfully addressed without significant change' and suggested that:

Educating the community on the value of unpaid work and educating employers and employees on effective flexible work practices were also suggested to overcome the struggle many women and men face to balance paid and unpaid work.¹¹³

11.85 National Institute of Labour Studies stated:

I think that male pathways through the labour market are conditioned by their preparedness to work long hours early in life and the fact that they do not have striking absences or periods of withdrawal from the labour force during the time in which they are raising children and taking care of things in the home.¹¹⁴

11.86 Education and awareness raising play a crucial role in supporting cultural change and it is important to 'incorporate men's role as carers into existing policy frameworks and initiatives'.¹¹⁵ The National Council of Women of Australia considered the lack of institutional support to 'alleviate the burdens of the work-family collision' to be a significant impediment to equality.¹¹⁶

11.87 The focus of the Pay Equity Unit in Western Australia has been to 'make our information useful, interesting, memorable, catchy and user friendly,

111 Work and Family Policy Roundtable, *Submission No. 143*, p. 11.

112 Australian Education Union, *Submission No. 76*, p. 22.

113 Human Rights and Equal Opportunity Commission (2008) *Gender equality: What matters to Australian women and men, the Listening Tour Community Report*, p. 4.

114 Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, p. 20.

115 Human Rights and Equal Opportunity Commission, 2007 *It's About Time Women, men, work and family Final Paper 2007*, p. xiv.

116 National Council of Women of Australia, *Submission No. 37*, p. 6.

and it is aimed at our average employer, who is extremely busy'.¹¹⁷ The Working Women's Centre South Australia cautioned that a national campaign that 'only seeks to scare the horses' would not be useful.¹¹⁸ The Victorian Government has found that:

... increasing awareness of pay equity does not always need to be undertaken through a formal information campaign. Workforce Victoria (WV) has demonstrated that working in partnership with employers, employees and their representatives to conduct a payroll audit provides a successful means to educate and inform industry, employers, and employees.¹¹⁹

11.88 Close the Gap in Scotland found that advertising may not have been the best approach:

We ran quite a large above the line advertising campaign looking at the issue of equal pay which targeted employers as well as employees and was really quite costly. It was the most costly piece of work that we did. I think that it is very difficult to communicate around issues of gender pay equality. I think the issue is complicated, there are a number of causes of it and there are social issues as well as issues that are within the ambit of employers to tackle. I think that it needs more care than we took to communicate some of those messages effectively. That was certainly a learning point for us that you need to take a more direct, a more strategic approach in some ways than the one we took with trying to solve the problem through advertising.¹²⁰

11.89 Dr Christine Short supported:

Education and information provision on equal pay issues is imperative when wanting to effect change in our society ... key stakeholders in industrial relations, both in WA and federally, felt that the continuing pay gap between men and women working full-time was due mostly to slowly changing social values. Change in social values can only be effected when awareness of the issue is also high.¹²¹

117 Ms Jenness Gardner, Manager, Pay Equity Unit, Department of Commerce, Western Australian Government, *Transcript of Evidence*, 26 February 2009, p. 4.

118 Ms Sandra Dann, Director, Working Women's Centre South Australia, *Transcript of Evidence*, 6 November 2008, p. 37.

119 Victorian Government, *Submission No. 136*, p. 8.

120 Ms Emma Ritch, Manager, Close the Gap, *Transcript of Evidence*, 11 August 2009, p. 10.

121 Dr Christine Short, *Submission No. 128*, p. 1.

- 11.90 While community education does need to be ongoing, a great deal can be achieved by the approaches suggested in previous chapters. An expensive media campaign may not be the most cost effective approach. The approaches by state governments and international experiences are also informative in this respect. There is a substantial need for cultural changes within the Australian community with regard to pay equity that are required to reinforce the need for the implementation of the comprehensive strategy present in this report.

