



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON EMPLOYMENT AND
WORKPLACE RELATIONS

Reference: Pay equity and increasing female participation in the workforce

THURSDAY, 6 NOVEMBER 2008

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT AND WORKPLACE RELATIONS
Thursday, 6 November 2008

Members: Ms Jackson (*Chair*), Mr Haase (*Deputy Chair*), Ms Bird, Ms Hall, Mr Hartsuyker, Mr Hayes, Mr Laming, Mr Marles, Dr Southcott and Mr Symon

Members in attendance: Ms Bird, Ms Jackson, Mr Haase and Dr Southcott

Terms of reference for the inquiry:

To inquire into and report on:

Pay equity and associated issues related to increasing female participation in the workforce including, but not limited to:

- The adequacy of current data to reliably monitor employment changes that may impact on pay equity issues;
- The need for education and information among employers, employees and trade unions in relation to pay equity issues;
- Current structural arrangements in the negotiation of wages that may impact disproportionately on women;
- The adequacy of recent and current equal remuneration provisions in state and federal workplace relations legislation;
- The adequacy of current arrangements to ensure fair access to training and promotion for women who have taken maternity leave and/or returned to work part time and/or sought flexible work hours; and
- The need for further legislative reform to address pay equity in Australia.

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Committee met at 9.45 am**HEALY, Mr Joshua Gregory, Research Assistant, National Institute of Labour Studies, Flinders University**

CHAIR (Ms Jackson)—I declare open this public hearing of the House of Representatives Standing Committee on Employment and Workplace Relations inquiry into pay equity and associated issues related to increasing female participation in the workforce. Before introducing the witness, I will refer members of the media who may be present at this hearing, if we have any, of the need to fairly and accurately report the proceedings of the committee. I would now like to welcome our first witness this morning, a representative of the National Institute of Labour Studies, to today's hearing. Do you have any comments to make on the capacity in which you appear?

Mr Healy—I appear as a representative on behalf of the National Institute of Labour Studies, which is a self-funding research institute at Flinders University in South Australia. My role at NILS is that of a research assistant. I am also at the present time completing a PhD thesis which deals with the operation of the low-wage labour market and the effects of safety net wage decisions on low-paid employment.

CHAIR—Thank you. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective Houses. My memory is that we have not received a specific written submission from your organisation.

Mr Healy—That is correct.

CHAIR—But you are here at our invitation. I wonder if you would like to commence today's proceedings by presenting a submission or making a brief opening statement, and then we will open it up for questions from the committee.

Mr Healy—With the permission of the members, what I thought I might do is just read through a summary of the report that is the basis of our work in this area. The full report on which it rests has not yet been publicly released. It is a piece of work commissioned by the Australian Fair Pay Commission. We have done several of these types of consultancies for them—this is the third of three. It might take a little bit longer than the customary period for me to work through that material, so I am happy to proceed on that basis, if that is acceptable to you.

CHAIR—Yes. If committee members are happy, we will proceed that way.

Mr Healy—No worries. Since 2006 the National Institute of Labour Studies has worked on three research reports for the Australian Fair Pay Commission. The intention of these has been together to provide information to the commission relevant to its task in setting the federal minimum wage and adjusting other award pay scales for low-paid workers in Australia. On each of these three reports I have been the first named author. Our latest piece of work, which I will be speaking to today, has examined the contemporary gender pay differential, and we have done this with a focus on lower paid sectors of the labour market—those in which the decisions of the Fair Pay Commission have their main effect.

We were asked by the commission to do a couple of things: initially to describe the gender pay gap—to look at how large it is and to have a look, to the extent this is possible, at how it has changed over time with respect to changes in female participation in the workforce and female employment—and to determine the extent to which the gap that remains can be explained using characteristics such as female education, levels of experience and other characteristics associated with their jobs.

So the purpose of my appearance today before this committee is to highlight the main findings of this work and to discuss any ancillary issues that emanate from it. As I have said, the report is not yet a public document. It will be released by the Fair Pay Commission, I think at the time of their next general wage setting decision. That will happen in 2009. I should just note as an addendum that last week the commission organised a research forum in Melbourne, where a similar version of what I am presenting today was presented in front of other academics, members of the commission and the media. To that extent, it is already in the public realm.

I will begin by just speaking to the trends in female participation in employment. I shall not linger too long on this, because I suspect it is something about which the committee already has a good deal of information, but it is important as background to the work that we have done. I brought with me a number of graphs. I apologise that I cannot show them to you in the format that I would ordinarily, but I will try to paint a picture with words as best I can.

The first thing we did was to look at the labour force survey data to do two things. The first was to track the trend in female workforce participation over the period 1978 to 2008, which is the time period that we have available from the ABS. Then, for a shorter period, 1994 to 2008, we looked at the trend in female employment. The reason why we look at a shorter trend for the employment data is that in 1993 there was a change in the industry coding and there is a break in the time series. So we begin in 1994 for that and go back to 1978 for participation.

The main conclusion of the plotting of the participation trend—and this is the percentage of women either working or looking for work—is that there has been a dramatic increase in female participation since 1978. In 1978 something like 50 per cent of women of prime age—this is women 25 to 54 years—were participating in the workforce compared with not quite but pretty close to 100 per cent of men. In the intervening 30 years there has been a small but persistent downward trend in male participation to about 90 per cent by 2008, and there has been a dramatic increase, as I said, in female participation to about 75 per cent.

In the span of 30 years this constitutes a very significant increase in female labour supply. An obvious question that flows from that is to what extent the strong growth in participation has been absorbed into new employment. As I said, we looked at the trend from 1994 to 2008, and because our focus is on low-paid sectors we sought to look at industries specifically within this period to obtain a picture of where the jobs growth for women has been concentrated. Over the period 1994 to 2008, total female employment expanded by 1.4 million jobs. This constitutes an increase of about 41 per cent, compared with growth for men of 29 per cent over the same period.

We also looked at the trend in hours worked rather than the number employed. The reason why it is important to do this is that many women work part time and you get a better sense of the total volume of work done by women if you consider hours worked rather than the number

employed. It is also true that there has been a dramatic growth in that statistic for women. The total volume of hours worked by women grew 42 per cent, compared with 22 per cent for men. So the rate of growth in female hours worked compared with the hours worked by men is approximately double in this period. It remains the case, I should note, that collectively men do a greater amount of paid work than women, but the gap has been closing pretty rapidly and I expect it will continue to do so.

One question we sought to answer is: where have the new female jobs been located? As I said, because this is work for the Fair Pay Commission, we have looked at the low-paid industries. We defined as 'low paid' four industries. We looked at these because they have a high proportion of employees paid under award rates of pay, and there are four industries that really stand out. These are retail trade; accommodation, cafes and restaurants; health and community services; and property and business services. Together, these four industries out of 17 accounted for a little bit more than two-thirds of all award dependent employees in 2006. It is not strictly speaking true that they are all low paid, but they are in large proportion affected by decisions of the Fair Pay Commission and the workers are lower paid than other workers on average.

We found when we looked at these four industries that they absorbed nearly two-thirds of the jobs growth for women in the period 1994 to 2008. The proportion is similar, 62 per cent, if we consider the number of hours worked, and this compares with a much smaller figure, 41 per cent, for men. So the conclusion that we draw from this analysis is that female employment growth has been quite significantly concentrated in these four lower paid industries over the period 1994 to 2008, and that is much more the case than male employment growth, which has been more evenly distributed across industries. We expect on an a priori basis that this will have some effect on the gender pay gap. We know, as I said, that these are lower paid industries on average, and the fact that women are moving into these industries in large numbers should affect the aggregate pay gap in some sense, which I will return to.

The next stage of our work is just an attempt to document the facts about the contemporary gender pay gap. To do this we have taken customised and unpublished data from the ABS May survey, the survey of employee earnings and hours, and we have used this to estimate the size of the gender pay gap and how it has been changing. We used the survey of employee earnings and hours because it is the largest of its kind. It takes in about 50,000 employees every couple of years and, because it is based on employers' payroll records, it is usually seen as a more reliable source than other household surveys.

Our focus in this work is on hourly wages rather than weekly earnings because, again, many women work part time. If you look at weekly earnings, you get a fairly distorted image because women work shorter hours. So we concentrate on hourly wages in this analysis and we restrict our attention to adult non-managerial employees. This has two effects: it knocks out junior workers, who would be on junior rates of pay under 21 years, and it also knocks out managerial employees—those whom the ABS defines as having supervision responsibilities in the workplace. I should just note that, because we are dealing with average wage data in this analysis, removing juniors will tend to increase the average wage—this will be true for both sexes—and removing managers will tend to lower the average wage. So we get a slightly different—

CHAIR—Lower the average wage for men?

Mr Healy—Yes, that is true if men are predominantly managers, which I think is the case. I do not have those data to confirm that, but I suspect that is right, yes. So you get a slightly different picture from what you would get if you looked at all employees. We look at adult nonmanagers.

The data that we have used allow us to control for two things that you do not normally see in analyses of this kind, and one is employees' casual status. We separate casual workers from permanent and fixed term workers and we also have a look at the method of setting pay. As I have said, we have already expressed an interest in the award only sector. We differentiate between the workers who are in that group, others who have their pay set by collective agreements and a third group affected by individual agreements. We do not differentiate further between registered and unregistered forms of agreement. When I speak of individual agreements, I am not speaking exclusively of those affected by Australian workplace agreements but, rather, the broader group affected by individual bargaining. There is quite a significant difference between those two things that I should flag.

We then estimate the gender pay gap in the traditional way by expressing the female average hourly wage as a percentage of the male average hourly wage and then taking the result from 100 so that, for instance, if the average for women was \$16 an hour and for men \$20, you would obtain a female to male relativity of about 80 per cent, leaving you a gender wage gap of 100 minus 80, or 20 per cent. That is fairly standard practice in the economic literature that we contribute to.

So looking at the latest data, which are from May 2006, we find that there is quite considerable variation in the gender pay gap depending both on casual status and method of setting pay. The main conclusion that we draw is that there is actually no gender pay gap within the award dependent sector. That is to say that, if you just identify those who have their pay set by awards, on average the gender pay gap in that sector of the workforce is non-existent. For casuals, there is about a one per cent gap—women are paid about one per cent less. For permanent and fixed term employees—these are award reliant workers—there is actually a slight female advantage in that sector of about three per cent. So, as I said, you get a quite different perspective on this if you break it down by method of setting pay.

The situation changes for those covered by agreements, and there is a widening or an increasing dispersion in the gap as you move from award reliant to collective agreement to individual agreement. That is to say that the largest gap between women and men, to the detriment of women and the advantage of men, is in the sector where pay is set by individual agreements, including, as I have said, both registered and unregistered forms.

In general, the gaps that we observe are smaller for casual workers than for non-casual workers, and we do not pry further into why this might be. I should just say as a kind of note that we do know from other ABS data collected in the survey of working time arrangements that in 2006 women without paid leave entitlements, which is our traditional way of identifying a casual employee, report being more likely to receive a casual loading than do men who are also without paid leave. I will just leave that with the committee as a thought on why it might be that the gap in the casual employment sector between women and men is smaller. Again, we do not follow that up in the report and I do not follow it up here.

Based on the information that I have just spoken to, we infer that the movement over a period of many years away from centralised award based pay determination towards workplace level and individual level bargaining may have had adverse consequences for the pursuit of pay equity, but I would like to make two caveats on that. The first is that when we speak of a potential detriment to women from bargaining what we are referring to is the value of their average wages relative to men's wages rather than the absolute value of their wages. If you look at just the absolute values, for both men and women wages are higher under individual bargaining than they are under the award system, but what we observe are greater relative benefits for men through negotiation above the safety net than for women. The other caveat is that our comparisons look at average wages. We do not control for differences in occupation within those award, collective agreement, individual agreement sectors, which will affect the average difference between men and women. We do come to that, however, in subsequent analysis.

We then look at the change over time in the gender pay gap during the period 2000 to 2006. We cannot go back earlier than that because the ABS did not collect the methods of pay setting data prior to 2000. Our results show that since 2000 there has been a deterioration in the female to male average wage relativity, a widening of the gender pay gap both in the casual and non-casual sectors since 2000. Women are in fact losing ground to men on average in the adult non-managerial labour market. To the extent that we are interested in achieving pay equity, this is obviously a disappointing trend.

However, our data reveal what I have described here as a fairly critical and previously, to my knowledge, unrecognised dimension of the change, which is that all of the deterioration that has occurred in the gap between men and women has been taking place in the individual agreement sector. If you look at the trend over time, we have seen a progressive narrowing of the gap in the award covered sector and a slower but still evident closing of the gap for workers covered by collective agreements. In contrast to this, we have seen a widening of the gap between men and women covered by individual agreements.

I have said that the changes in the sector covered by individual agreements explain all of the aggregate growth in the gender pay gap for non-casual employees, permanent and fixed term employees, and they explain a significant proportion of the same growth for casuals. This finding has important implications for thinking about what legislators and other policymakers might do to overcome the female disadvantage in pay that remains. The reason for that is that it is neither in the low pay sectors affected by Fair Pay Commission decisions nor in the bargaining sectors covered by union collective agreements where the problem still lies. Actually, to the extent that women are paid less than men, it is predominantly concentrated in the sectors that are more market oriented in their pay setting and where wages are set either informally in above award agreements that are not registered or formally through instruments like Australian workplace agreements. The individual agreement sector is the sector where the main disparity in pay persists. I have said that this is a problem because obviously there is less scope for policymakers to mandate equal pay in this sector. We know from research into the equal pay decisions of the former arbitration commission that these were wildly successful in closing the gap between female and male pay in the sixties and seventies.

The system has dramatically changed from the system of that day, so that a decision affecting only the sector covered by awards, the 20 per cent still dependent on those types of decisions,

would not have much of an effect on the aggregate pay differential. Indeed, the gap has already been closed in that sector, and we observe a mild female advantage, on average, over men in that sector.

So how do we move from there, then, to explaining the gap that persists? This is the third dimension of the report that we have just completed for the Fair Pay Commission. What we do is look at individual employee data, so moving from the average information coming out of the May survey, we use a different source of information, the 2005 ABS survey of education and training, and we carry out an econometric analysis, where we attempt to control for all of the many differences between men and women in age, education, time spent in their current job and in the various attributes of their jobs such as trade union membership, part-time employment, casual status, public-private sector and so on. We are able to do this with the survey of education and training in a way that we cannot with the employee earnings and hours data, in part because a lot of these things are not collected in the survey of employee earnings and hours but also because the ABS does not release the individual data from the EEH Survey. So we work with this data and we construct a couple of standard linear regression type models to try to explain the gap that exists. We look at employees aged 21 to 69. We remove from the analysis owner managers and the agricultural industry, which leaves us with quite generous samples, and we are able to do this sort of work.

In the first part of this analysis we just estimate a basic model, in which we include controls for all of the things I have mentioned and a dummy variable for gender, and this measures the raw disparity in pay between men and women, while we hold constant all the other differences in education and so on. When we do this we estimate that there is about a 13 per cent lower hourly wage for adult women than for adult men, focusing on the group that I have defined. The gap in this 13 per cent is highly statistically significant. We are 95 per cent confident that the true differential is somewhere between 12 and 15 per cent based on the statistical tests that we do. The other control variables that we look at are behaving as expected: longer experience, higher qualifications, better health, and a better command of English all confer positive wage benefits.

A problem with this type of approach of lumping men and women into a single model is that you make an assumption that both men and women get about the same return from an additional year of education or that they are about equally penalised for having poor English, for being migrants or for being disabled and so on. We know from other work that in a labour market with persistent gender disparities in pay this is not likely to be the case and that there are likely to be sex-specific returns.

The next stage in what we do is to estimate separate male and female equations. We carry out what is formally known as a decomposition analysis, where we try to answer a hypothetical question, really, which is: how much of this 13 per cent gap that we find is attributable to the fact that men and women have different characteristics—that is, they have different levels of education, different years of experience—and how much of the 13 per cent gap is due to the fact that there are different returns to those characteristics?

If you just look at the mean data in our sample, and I could show you this if I had the ability, but you will have to take it on faith, it actually looks unlikely that the differences in the characteristics explain much of the pay gap. This is because, for instance, women actually have higher levels of education than men, they are more likely to have degrees, diplomas and

advanced diplomas. It is true that they are likely to have fewer years of labour force experience and fewer years of job tenure, but the mean differences are not very great. So, if we carry out this hypothetical analysis and just equalise all of those things, we do not expect that that is going to make much of a difference to the gender pay gap.

One significant difference between the sexes is that women are about four times more likely to be employed part time, about 44 per cent compared with about 11 per cent for adult men; they are also more likely to be casual workers and to be in the public sector. So when we do this analysis formally we confirm this expectation and we find that only about 11 per cent of the 0.13 gap—not 0.11 but 11 per cent of 0.13—is attributable to characteristics differences. This is to say that if we were able somehow by fiat to equalise all of the characteristics of employed men and women, we would make only a small inroad into eliminating the gender pay gap. In some respects, I have noted here, the equalisation would tend to widen the gap since women are at present more likely than men to have degrees and diplomas. So if you shrunk their proportions to the male proportions you would worsen the current gap.

The remainder of the gender pay gap, about 0.12 of the 0.13 gap, is due to the fact that men and women receive different returns for the same observed characteristics. I have just looked at the data and I say that the differences in respect of formal qualifications are clearly very important here. To give you just one example, men with diplomas and advanced diplomas receive a wage premium over men who have completed only year 10 or below, equal to about 29 per cent. For women, the same wage premium is 16 per cent. Similar differences operate across the other types of education—it is true of bachelor degrees, it is true of certificates. Men get a very significant relative premium for getting certificate level qualifications compared with women. It is also true of just having completed year 12. Men get a bigger bump in pay from just finishing year 12 than women do compared with other women with lower education. So I have said if overnight we could command the market to pay women equal wages to men with the same types of qualifications, we would eliminate half of the current gender pay gap, and this is a very large impact compared with the small change that we would get from equalising men's and women's actual observed characteristics. Of course, unfortunately, in a market economy we cannot enforce this kind of command on the participants, and I have said that this suggestion really just serves as a kind of thought experiment to give you a sense of the parameters of the problem and the difficulties in resolving it.

The implication of our analysis is that men and women get unequal returns to the same kinds of qualifications. However, I have not taken into account in this analysis the fact, and I think it is true, that men and women, even with the same types of qualifications, get their qualifications in different fields. That is to say that we are not actually talking about exactly the same kinds of qualifications. Even with university level degrees there is a systematic gender difference in what types of qualifications are obtained.

If field of education is important in explaining the gender gap, then we would expect to detect some of this influence by controlling directly for industry of work. So what we did was to re-estimate this basic decomposition, this kind of separate male-female regression equation, including a set of controls for what industry they are in. The effect is quite surprising. It more than doubles the proportion of the gender pay gap which is explained by characteristics, increasing it from 11 per cent in the standard equation to 27 per cent.

This result tells us that industry structure is really important in explaining the gender pay gap. Why this should be the case is a bit of a mystery to an economist, because our models are traditionally set up in a way that makes the assumption that what really matters is human capital differences, differences in education and experience and age and other things that flow from that. This modelling and other similar analyses tell us that the industry in which you end up working is also important independently of human capital. Again, I have said just as a kind of thought experiment that if we could redistribute women into the same proportions of industries as we currently find men, then this would also make a significant inroad into closing the gender pay gap. Based on the magnitudes in our analysis, the change would be more important than other initiatives like getting more women into the higher education system or into full-time jobs. Industry structure really matters, and I would underline that point in my submission.

This brings me to the end of the formal submission. Of course, it is not really clear how in practice we would persuade women to enter male dominated industries. If the existing pay differentials in favour of men are not adequate on their own to entice women into these sectors, we would expect in a market economy that there would be an equalisation effect. It is not happening. Significant industry level differences remain in the labour market, and why women continue to seek work in industries that appear to offer them lower wages remains an open question, one that I have not answered in this piece of work,. Perhaps it is the case that the jobs have other attractive amenities such as childcare provisions, leave arrangements or flexible working time—things that we cannot detect in this typical survey data that encourage women to go into those sectors. Perhaps it is due to their qualifications and their preferences to do caring types of work and that type of employment; or perhaps, and I want to make the point that I am just speculating here, there is a kind of gravitational effect that operates to make women happier and more comfortable moving into sectors in which there are already a lot of women, which makes their transition easier and they do not feel like they are bumping up against the glass ceiling effect and constantly overcoming it. But these are questions that would have to be taken up in further work and in an inquiry.

CHAIR—Potentially all of the above.

Mr Healy—Potentially all of the above. I wish the committee luck in getting to the bottom of these issues. That brings to a close the summary of our formal research.

CHAIR—That was great. I found it very interesting, and I am sure other members of the committee did also. I am sure there are some follow-up questions. I have to say that in some respects you have put forward in a quantitative sense information that we have been hearing in evidence and anecdotal material. So a lot of what you have said is not really surprising. I do not think that any response to addressing the pay equity gap is going to be simple. It has to be as complex as the pay equity gap itself, and part of it will be to try to unpack it in the way in which you have to an extent. But we do keep coming back to the issue of returns, as you put it, particularly on educational qualifications, and it seems that there are a couple of issues there. One is a failure to properly value the skills associated with traditional women's work. For example, you talked about the caring occupations. The structure of the aged-care and the childcare industries is not as focused on steps up through various levels of skill as you would find in the mining or metals industries. If there were some way of properly valuing those skills, recognising them and giving them the appropriate qualification, then through, let us say, modern award systems requiring similar levels of pay at the minimum level it would begin to have an

impact on at least some of the gap related issues. I do not know if that is true, but I know we are talking about industries that are largely dependent on Commonwealth government funding, so I know where the bulk of the cost might be. Is that something that is being considered? In the industries where women dominate there seem to be fewer qualifications or, alternatively, less recognition of skill than there are in industries where women are not in any great concentration.

Mr Healy—One of the things we have done for the Fair Pay Commission is to have a look at the story within the low-paid industries that I have identified. They differ in quite significant respects. The two that are normally focused on in thinking about low pay are the retail trade and accommodation. It is true that there are not many highly paid jobs in either of those industries, so there is a concentration of jobs at the lower skilled end. To the extent that women are overrepresented in those industries, part of the problem is that there are not many great jobs to end up in for the time that they remain in those sectors, so there is really a substantial overrepresentation of lower paid, lower skilled, casual type jobs in retail and in hospitality. To the extent that there are managerial positions that you can rise to over time, many of them are held by men.

CHAIR—But I guess what I am asking is: is there not a potential there to undervalue the work? For example, people consider cleaning quite an unskilled occupation. They obviously never met my mother, I have to say. If you talk to any supervisor or manager in the property services area, they will tell you there is quite a difference between a skilled cleaner, a good cleaner, and someone who does not even know where to begin. Yet there is no differential, even in the award rates of pay existing for cleaning, that reflects that, whereas if I went into a manufacturing workplace I would be confident of finding different occupations reflecting those different skill levels.

Mr Healy—I have spoken about retail and accommodation. The other two are health and property and business services. In one sense, it is not useful to lump those four together as low paid because there are two very different types of industries. As I have said, in retail and accommodation there is a strong bunching at the low end of the labour market, which is not the case in property or in health, where there is quite a nice distribution of skills and occupations with the cleaning type jobs in property and business services and real estate agents and the other types at the professional end. So there is quite a dispersion. It is also true in health, with personal care workers doing the day-to-day stuff of dealing with frail and elderly people and then the high-end health managers working in the public sector and so on. So they are not really commensurate types of industries, although they do have an overrepresentation of award workers.

The point I wanted to make is that, if you focus your analysis on the industry level and do this type of work just for the health and community services industry or just for property and business services, you explain a much larger proportion of the gender pay gap by characteristics. So it is not actually so much an issue of returns within those industries; the returns issue applies to the broader labour market. Within those sectors there are systematic differences in the types of qualifications that men and women have, and within those industries you would close more than half of the gender pay gap if you could equalise the observed skill differences that men and women have. So there might be something to the proposition that the formalisation and recognition of the types of skills that women are bringing to those jobs would do some good in closing the gap.

Ms BIRD—Further on that, we have received data from the NCVET that I found astounding. They have a table showing the outcome for VET graduates by gender six months after completing their training, and they divide it by sectors. For community and personal service workers the female wage six months after completion is \$35,200 and the male wage is \$46,900. For clerical and admin, the female wage is \$37,800, and for males it is \$47,300. It just amazed me that with similar VET qualifications—

Mr Healy—Doing similar jobs, yes.

Ms BIRD—for a similar period of time, six months after concluding their course, there are \$10,000—or 25 per cent—differences in the amounts of money they are earning. It occurred to me that it could be the number of hours they are working.

Mr Healy—I think that is right.

Ms BIRD—Do you have any information—I have only heard this anecdotally—that men in these traditionally more female oriented sectors are more likely to be offered or are more able to take additional shifts and so forth? Women cleaners that I talk to say, ‘We never get offered the additional shifts.’ Is there another factor at play with the hours worked? I am interested in the hours worked data that you referred to. What does the actual data show? Is that by choice, and how much of it is—

Mr Healy—I do not know, is the short answer to your question. It is certainly true that men work longer hours and also true that the gender gap in weekly earnings is much larger than it is if you concentrate on hourly wages, and that is partly because of the hours effect. There are some economists and, in particular, I am thinking of Mark Wooden from the University of Melbourne, who think that the weekly earnings story is not really important and you should focus on hourly wages. I am not quite so ready to reach that conclusion, because I think there may be a signalling effect that operates here, which is to say that men, by working and being available to work longer hours and setting up their family life in a way that—

Ms BIRD—Suits it.

Mr Healy—allows them to be available for those types of hours, signal to employers that they are willing to be highly productive and work long hours and are, if you will, adopting the mindset and the behaviour of highly paid workers. It is much more difficult for women, I think, who want to enforce a work-life balance, who have family responsibilities and who are doing the bulk of the work in the home, to be available for those kinds of hours and, I think it is probably true, to get those additional shifts when they become available, especially if the work is on a casual basis.

CHAIR—It is even suggested to us that there might well be an interrelationship on the hours question. Western Australia was the state where the gender pay gap was the greatest, and it was interesting that men in general, and very broadly, were working longer hours in Western Australia than elsewhere, and, ironically, part-time women workers in the main were working fewer hours. At a social level, it was not hard to make the leap that if your partner or spouse was obliged to work 50 or 60 hours a week or was on fly-in fly-out arrangements, then that had a

direct consequence on the employment options that the female in the partnership might choose or have available.

Mr Healy—Yes, I think that is right. You probably cannot come to a full understanding of this, and I will acknowledge that we have not done this, unless you understand the family situation and the negotiations in the household between partners and how they configure these types of things.

Mr HAASE—By the way, your summary was very valuable.

Mr Healy—Thank you.

Mr HAASE—Is your survey all based on bulk data or is there personal input into your findings from the point of view of the employee, the workers? Have you found out, for instance, whether or not women are able to work all of the hours they want as a part-time employee? That is the important thing. Our purpose is to establish why there are not more women in the workforce. Is it because of the pay gap, is it because women do not want more hours in the workforce or is it because, as our chair has just mentioned, for instance, in Western Australia, predominantly the male in the family is working so many hours that the female in the family does not have to work so many hours? Possibly, they are luxuriating in the fact that they do not have to go to work because there is a fair whack of income coming into the household. Is there any data in the survey that you are analysing that indicates a personal input preference?

Mr Healy—I do not believe so, no.

Mr HAASE—Is there any data that you have at all that indicates that given the opportunity to close that gender pay gap, women would rally and get the same experience, stay at work as long and earn the same amount of pay? That is the dilemma for us.

Mr Healy—Yes.

Ms BIRD—There is data series on hours worked and hours sought, underemployment, is there not?

Mr Healy—I would just make two points. Certainly there is information on underemployment, and by that we mean a preference for longer hours that are not met by actual hours. I know that exists. I have worked with the data. I am not sufficiently acquainted with it to speak to it at the moment, and I do not deal with it here. That is part of it. There is an obvious additional issue which goes to the committee's terms of reference about what impact all this might have on labour supply. Originally, this project for the Fair Pay Commission started off with a supply component to it, but it has not ended up that way just because it is another piece of work. Modelling female labour supply, and, indeed, male labour supply, is very challenging. It depends on a whole range of assumptions that you make about how families deal with responsibilities for children, how adult partners bargain between the responsibilities for domestic work and paid work. There has been quite a lot of research done on this. I have not done any of it myself, but my colleagues at NILS have, and I am happy to refer the committee to that work.

Mr HAASE—Can I confirm just a couple of things. You said in your opening statement that your analysis of the gender wage gap did not include employees under 21 and it did not include managerial positions.

Mr Healy—That is right.

Mr HAASE—Is that true of all of your report there that you have reported on or have you moved into an area where managerial positions are taken into consideration?

Mr Healy—This gets a little bit tricky, because the ABS in its Employee Earnings and Hours Survey has a special category of managerial employee which does not appear in other surveys. They define as managerial those workers who have supervision responsibilities. But this is different from a managerial occupation. This is why I say it is a bit complex. Even if you remove from the analysis managerial employees, which we have done in that part of the work, you still get managers in the occupation of managers.

Mr HAASE—So you are saying they are in?

Mr Healy—Managerial status employees are taken out of the—

CHAIR—It may be the team leader or the leading hand.

Mr HAASE—Yes, that is what I am getting at. Is the team leader in or out on the shop floor?

Mr Healy—That is a very interesting question. I do not know.

Mr HAASE—It is a very pivotal point, though, is it not?

Mr Healy—Yes. It comes down to how the ABS codes the status of these employees. If they treat them as being in a managerial occupation but not having managerial status, then they are in. If they have what the ABS refers to as managerial status, then they are out of this analysis. But I should say that the third part, the econometric part, the decomposition, includes all managers and administrators. We could have taken them out but we left them in.

Mr HAASE—So when you were talking about the male-female difference in the appreciation of postsecondary skills—can I broadly refer to the acquisition of postsecondary skills?

Mr Healy—Sure.

Mr HAASE—You were saying that the males were paid more.

Mr Healy—That is right.

Mr HAASE—It appeared that their postsecondary skills were more highly valued by the employer than female postsecondary skills.

Mr Healy—Yes.

Mr HAASE—Could you comment on that further? I am wondering why, of course. Perhaps you are wondering why as well.

Mr Healy—I am.

Mr HAASE—Would it be, for instance, or could you concur that it might be because women with postsecondary skills are more readily available than males, that it is difficult to find the males with the postsecondary skills that you are looking for in this category of work? And we are not talking about managerial and CEO positions; we are talking about supervisory positions. So the employer is seeking out and is prepared to lure to the workplace the occasional male with those postsecondary skills and ignoring and valuing less the female because there are many of them; they have a mindset wanting a male in that supervisory role? Is there any likelihood of that being the case?

Mr Healy—It is not clear to me immediately why it should be the case that the employer would specifically prefer a man over a woman to do a similar kind of job. I take that to be the implication of your question.

Mr HAASE—Not preferring a man over a woman but rather the rarity, and, of course, the rarity is the male. It would appear that there are fewer males with those requisite skills and post-secondary qualifications. I am relying somewhat on personal experience here and looking to you for some confirmation. So often I find that post-secondary skills, especially those that are gained during employment, come hand in hand with experience, whereas many females gain post-secondary skills outside the workplace and do not come with the same amount of workplace experience.

Mr Healy—Yes, it is certainly true that there are differences in the levels of experience that men and women have. We do not have terrific measures of labour market experience, and what we normally do, and what I have done here, is look at what we refer to as potential labour market experience, which is, in effect, the time since completing education worked out on current age. That is different from knowing for what span of time women were working and what span of time they took out to have children. If you plot the profile for men and women of the returns to additional years of potential labour market experience, you find significant differences between the wage premium for men and women after 20 years in the workforce. The male profile rises fairly steeply early in the career and plateaus off later in a career than it does for women. The female profile rises less sharply and tapers off sooner, and women never reach the same sort of premium for years of experience that men do. So I think there is something to the experience story. I am not convinced that we understand it especially well in this kind of analysis.

I think there are unobservables, as economists would say, in the package of skills and abilities that men bring to a job that is tied up with their working longer hours, gaining on-the-job experience and getting preferential treatment for the formalised on-the-job training that entrenches their advantage. Women swim upstream, as American researchers have said, in trying to equalise those differences. I am not willing to dismiss it entirely on the basis of formal qualifications, but it could be that it is the field of education that matters and that there will be differences within broad post-secondary qualifications that are not detected in this analysis that

might contribute to explaining why the premium for highly skilled men over lower skilled men is greater than is the case for women.

Another interesting question, if I could yabber on about this, is: why is it that women now have higher levels of formal qualifications than men? It might be that the answer is that it is one way of ensuring that you are not discriminated against in the workplace—if you come to the market with a piece of paper that says you have completed a four-year tertiary degree, it is not permissible, or less permissible at least, for employers to undervalue that skill. It is a definite thing that you can point to. The fact that women are pursuing these types of qualifications and completing them more frequently than men might be a response to this endemic inequality that women respond to in a fairly rational way by trying to get the qualifications that enable them to enter the better occupations and become themselves highly paid workers. It might also explain, though, when we look at this snapshot for 2005, why it is that the premium to women for, say, a bachelor's degree is smaller than it is for men, because there are, in fact, more women with that level of skills. We would expect a supply and demand response in a typical labour market to a potential oversupply of women with higher level qualifications when there are fewer positions for them to move into, so the premium for that type of skill is declining. I do not have the data back through time to tell you that is absolutely true. I am just saying, looking at the fact that there are now more women with these qualifications and smaller returns, that there may be a demand and supply thing happening which is perverse to the effect we hoped it would have of closing the gender pay gap.

Mr HAASE—A final question if I may, and it is very brief. Would you care to comment on an assertion that perhaps young women are more suited to the post-secondary process than males—

Mr Healy—In what sense?

Mr HAASE—and this is causing the oversupply? Young women are more comfortable attending post-secondary education, whereas blokes want to get out there, get a job and buy the fast car.

CHAIR—Women are more mature.

Mr HAASE—Women are more mature, certainly. I concede that. Be it on the record.

Mr Healy—Well, we are ranging a bit beyond my area of expertise.

Mr HAASE—It is not a specialty of mine either.

Ms BIRD—We need a behavioural psychologist here for that one!

Mr Healy—My answer would be that you should talk to Tom Karmel about that when he comes in.

Ms BIRD—I think you have really hit on something that over the last couple of days in particular has become really clear to us: the industry segregation factor is so significant. A lot of what was said to us in Perth was that the growth of the male dominated industries in the current

economy—and the returns that are available in mining and so forth leap to mind—has not matched—

Mr Healy—The mining story, yes, it is there, but I do not think the story is that big when you look at the aggregate picture, because it is such a small section of the economy. Clearly it is the case that there is a big gender disparity in that sector, and it plays out for the WA economy, but it would disappear, I think, very largely in the aggregate comparisons we have.

Dr SOUTHCOTT—It is true, though, with the mining sector, although the numbers employed are quite low, that it does impact in a lot of other sectors in terms of competing for work—

Mr Healy—No doubt.

Dr SOUTHCOTT—with similar sets of skills?

Ms BIRD—That is what I was going to say. It was very interesting when the economics committee in the last parliament went to WA and looked at situation post the mining boom in the service sector. The hospitality sector was saying, ‘We can’t keep short-order cooks because the mines will offer them \$20,000, \$30,000 or \$40,000 a year more.’ We said to them, ‘Why don’t you up their wages? Is that not the market operating: you would offer more to draw them back.’ They just looked shocked at that concept. So the industry segregation I am thinking about much reflects the traditional patterns of whether you are used to a market driving wages. It appears to me that trade exposed internationalised sectors are quite used to the idea that if we have shortages we add extra money, we attract people, we get them from wherever we can, whereas the much more traditional sectors that tend to be more female dominated seem more likely to go to the government and say, ‘You need to train more people. You need to give us more people at the existing wage structures.’

When you looked at industry segregation, did you find any information about how effectively that market operates in setting wages? If it is not a distinction being made between men and women, it is a distinction being made between industry sectors, which just by implication affects women more greatly than men, and that has important policy implications for us.

Mr Healy—I think you can be more explicit about it than that. I think that the growth that we have seen in this booming labour market being concentrated in mining, albeit what I have said about it being in total a small proportion, in the building trades—

Ms BIRD—Transport.

Mr Healy—Transport, perhaps, yes. The growth in traditionally male dominated sectors and the bidding up of wages is not something that benefits both sexes equally. I could not quantify it, but over time you would expect that to have some impact on the gender disparity. It persists partly in response to the fact that women by and large—I think I can make this point without getting howled down—are not overly enthused about moving into those sectors. Taking a job in the Pilbara driving a truck on a male dominated construction site I suspect does not hold much appeal for many women.

Ms BIRD—I know what you are saying. I would say to you that it does not hold a lot of appeal for most men either, but they make a decision—

Mr Healy—Those who do it get very highly paid.

Ms BIRD—based on income earning.

Mr Healy—Yes.

Ms BIRD—What is driving it is who in family structures and so forth is making the decision to sacrifice for income capacity. I think it is important to make the point that it is not gender leaning preferences; it is about the way we structure our decision making. It is more likely to be the man in a relationship who will make that decision to fly in, fly out and earn big money in the Pilbara.

Mr Healy—But I do think the trades quals, certificate levels III and IV—

Ms BIRD—Traditional trades.

Mr Healy—are an interesting case in point, and perhaps you can take that up with NCVER. This is one type of post-secondary qualification where it looks as though the market is not operating in the way we would expect it to operate. The reason I say that is that fewer women get these types of qualifications, and men who gain them also get a much higher return. Traditionally we would expect that, with that disparity in pay, more women might volunteer to do those types of qualifications and make themselves available for highly paying jobs, but we do not see that happening.

The raw data in this sample shows that about a quarter of men have certificate level III or IV qualifications, compared with 13 per cent of women. To return to those types of qualifications over and above those who have not finished secondary school—year 10 or below—for men it is 16 per cent and for women five per cent. This is actually one instance where, if you recall my earlier submissions, I said that equalising men's and women's characteristics in some senses would widen the gap because it would reduce the proportion of women with high qualifications.

Ms BIRD—Yes. One of the things that has been raised with us about industry segregation is also the point from which their income comes. Women with qualifications, say, in aged care or child care—

Mr Healy—I think that is right.

Ms BIRD—are in fee based, government sponsored type industries, where negotiating is much more difficult, whereas a man may have an electrical trade or a mechanical trade and be in the mining industry again, for example, where export earning dollars allow more flexibility in providing those attractive salaries.

Mr Healy—But this comes back to the question I posed, to which I do not have a thorough answer, which is: why is it that women prefer to seek qualifications in areas that we know seem

to be providing them with lower wages? Why doesn't the market operate to equalise those differences?

Ms BIRD—They are the policy questions for us.

Mr Healy—Yes, they are really important questions. Perhaps Tom, who has just arrived, can talk about the motivations behind those differences.

Dr SOUTHCOTT—Mr Healy, I would like to ask you about the adequacy of current data to monitor employment changes. Do you think that the current data is adequate to monitor employment changes that may impact on pay equity issues?

Mr Healy—I have a little bit of information on this which I did not get to. There are a few things. I work with these data a lot and know them quite intimately. The best information that we have currently in Australia on earnings and hourly wages comes from the ABS May survey, the employee earnings and hours data, which is done only every two years, presumably because it is so costly to run. It is the best because it is large. It has a sample of something like 50,000 and above employees, and it uses payroll records to get the information on wages. So we are pretty confident that the ABS is getting it right with this survey. It is also the only survey that takes in the methods of setting pay question, which I have shown to be important.

One thing that the ABS does not do with that survey, although there are rumours afoot that this may be changing, is to put out what is called the confidentialised unit record data, the data that economists ordinarily use to do the kind of econometric work that I have spoken to, using another survey—the survey of education and training. This matters not just from an academic technical point of view but because it quite severely curtails the kinds of research we are able to do with these data.

The information that I have talked to coming out of the earnings and hours survey is only average aggregate data, so we are talking about groups of workers who are affected by award decisions, those groups who are casual versus permanent and fixed term. We are not talking about drilling down to the individual employee level, and we know that there is very substantial variation at the individual level. So long as that remains the case, the types of detailed analysis that we can do in fleshing out why it is that the pay gap is growing in the individual agreement sector and how that is related to occupation are a bit limited. I have shown you and spoken to some unpublished data, and that is the traditional route for doing this type of work with that survey. So long as that remains the case, there will always be a need to look at other sources.

What I have done is to look at the survey of education and training, and we do that because the ABS gives you access to tens of thousands of confidential individual employee records, and you can do very detailed work, controlling for age and looking at what happens if managers are knocked out or what happens if we look at juniors. You have a level of flexibility with those data and with other surveys like the survey of income and housing, the Melbourne Institute's HILDA survey. These are microdata that we can do much more advanced statistical work with.

So trying to find a blend between these types of information would be really useful. On the one hand we have the employer based survey, which we cannot currently get the microdata for, and, on the other hand, a raft of household employee level surveys that have useful data on hours

worked and the kind of qualifications achieved. It is very difficult to marry the two, because employers are great at answering questions about pay and certainly much better at answering questions about whether employees are affected by an award and what kind of collective agreement they have but not so good at telling us about employees' experiences in the labour market. It really only makes sense to get those types of data from the individuals, from households. It is expensive to do this, and it is really pie in the sky, but there are plenty of—

CHAIR—We would have to do a census every year. You are asking more detailed questions.

Mr Healy—Yes. Even if you could, it would not resolve it because you are not getting that workplace level data. Other countries have what they call linked employer-employee databases. My understanding is that the ABS has begun exploratory work on getting this kind of survey off the ground, where you would have a two-part thing where you do part of the survey with the bosses, part of the survey with the workers and you are able to connect them up. This is the precedent that was set by and subsequently discontinued by the Australian workplace industrial relations survey, last done in 1995. It would be terrific from an analytical point of view and to get to the real heart of these questions to have some kind of survey that brought the two sides together.

Dr SOUTHCOTT—Does the ABS decision to stop collecting the jobs vacancy data have any impact on your work?

Mr Healy—No, it does not pertain to this particular piece of work. I personally do not make much use of the jobs vacancy data. Certainly what gives me cause for personal concern are the changes that affect the labour force survey.

Dr SOUTHCOTT—The reduction in the survey size by 24 per cent?

Mr Healy—Yes. That is probably not such a big deal if you are talking about the aggregate trends in employment and participation, some of which I have spoken about, but it does matter when you try to get down to a more detailed industry level. You have got fewer observations and, consequently, you get higher standard errors in the estimates and particularly in understanding the change over time. This is difficult to do, and the estimates tend to bounce around a lot from month to month or quarter to quarter. Normally you find people like me calling for increases in survey samples not reductions.

Dr SOUTHCOTT—You mentioned very detailed data about the issues of returns for training for women, but as we are looking at female participation in the workforce, my understanding is there is some strong research showing that the group that training is most effective for in terms of getting employment outcomes for job seekers is actually women who are returning to the workforce. Would you care to address the issue that there is a very definite return to training in terms of getting the outcome of a job in that specific group of prime age women returning to the workforce.

Mr Healy—One thing that you could potentially do that I have not done is to try to control in a more explicit way for recent spells of unemployment. As I said, we do not have terrific measures of actual labour market experience. There might be clever ways of incorporating data

on duration of unemployment in an analysis like this one, but I cannot speak to that here. I think questions on training are best addressed to Tom Karmel when he takes the chair.

Ms BIRD—Do you break it down by age group, though to take account of generational experiences? For what you are talking about in terms of decision making and cultural issues that we would have to consider, it would be useful to know your data by age group so that you could see whether the experience was different for the different generations.

Mr Healy—I think that is absolutely right. You only begin to see these experience effects really biting, really manifesting themselves in the data after women enter and move through their child-bearing years. There is some research, and I am thinking of a paper by Mark Wooden at the University of Melbourne, that just focuses on young workers. The reason he does that is because the veering apart of the education and earnings profiles for younger workers, those under 30, is not so pronounced and you begin to see these effects manifesting later in life. I think his main conclusion is that there is little or no gender gap within that group. I have not done it here, but it would be worth doing further research looking at the cohort effects, so what is the story for women of middle age, what happens later in life. That would be an interesting extension.

CHAIR—Sorry to keep you a little longer than you and we probably expected, but just a couple of final questions in conclusion. I appreciate your information, but I am still very concerned about the issues associated with part-time employment, even in your work, in which you have made a great effort to look at hourly rates of pay and taken out a number of variables. Australia has in comparison to other similar countries, and certainly other OECD countries, a phenomenally high level of part-time employment. One of the interesting things that one of the Perth academics brought to our attention was that up until the mid-nineties, particularly from a Western Australian perspective, part-time employment was quite highly regulated, and that appears to have been a significant change. You said that gender gap is negligible in the award area, even though you are unable to drill down and compare what I thought you were saying were male dominated occupations with female dominated occupations at similar skill levels.

It continues to be a significant issue for me unless you can point me in the direction of some wonderful work on part-time employment and its impacts, because it has gone through one of the greatest changes with the deregulated labour market you have been talking about, everything from additional hours being able to be worked above the permanent part-time hours and no longer rewarded as overtime but actually part of a flexible kind of arrangement. That might be a good thing, and I am not being disparaging towards it. I am just saying that I do not think we are capturing the genuine impact of part-time employment in some of the analysis that we are doing.

Mr Healy—I think that is right. I think that one of the really noteworthy things is the proportion of jobs for women that are both part time and casual. There may be issues with the kinds of casual loadings that are available that cause some confusion in the estimation that we have here. In the raw information that we have, we do not actually find—and I confess to not knowing how this sits with other research—any positive or negative effect of part-time employment for women on their earnings, on their hourly wages, but it is quite clear that for men there is a negative effect. I have already said that you do not find anywhere near as many men in part-time employment as you do women. It is about 10 per cent versus 44 per cent. Men who do part-time work are penalised when we hold all other things constant. One of the interesting questions is what happens as a result of long-term, casual, part-time employment both on

women's aspirations in the labour market and on their capacities to present themselves as candidates for better paying, more permanent jobs.

CHAIR—Promotional positions and all the rest, yes.

Mr Healy—I think that this is critical. 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.

CHAIR—None of which is inherently bad or anything like that. That is why I am saying that—

Mr Healy—No, but I am just going to the issue of how it affects pay.

CHAIR—Yes, sure.

Mr Healy—No, I think that is right, and I do not know the answer to that question.

CHAIR—So you are not aware of any remarkable academic work to which you can direct the committee's attention, but if you do come across it, I would be incredibly—

Mr Healy—That would go to the issue of part-time employment?

CHAIR—A good analysis of that part-time employment question, I guess more longitudinally, as it relates to women's pay equity gap but over time. Anecdotally we have heard a number of things from a number of employers as well as union organisations that have appeared before us about the impact of that. You talked about the difference between award structured areas versus individual agreement areas. It seems to me that one significant labour market change in Australia over the past decade has been going from a highly regulated permanent part-time employment arrangement, envied around the world in many respects, to one now that is much less highly regulated. I am not sure, but I would guess that that has had a significant impact and may well be a contributing factor to the widening gender pay gap for women over the past decade.

Mr Healy—Yes. Certainly, it is worrying for the cause of equal pay that the trend in the individual agreement sector seems to be towards a widening of the difference between men and women. It is highly problematic, because through that period of labour market deregulation and decentralisation in how wages are set we have as a country lost the capacity, I think, to mandate through regulation that equal pay occur.

I have already shown that it has occurred in the sector that remains subject to centralised award type minimum wage decisions. It is not clear to me how we can enforce equal pay in the sector furthest removed from that, the individual agreement sector, where a lot of it is common-law contracts and informal over-awards, and women are losing ground.

CHAIR—Exactly. Thank you very much for your attendance here today. I do not know if there was specific additional information that committee members had asked for, but, if they

have, if you could provide that to the secretary, that would be great. On behalf of all the committee, that was extremely interesting and I thank you very much for your time.

Mr Healy—Thank you for the invitation.

CHAIR—A pleasure.

Proceedings suspended from 11.07 am to 11.19 am

KARMEL, Dr Thomas Syme, Managing Director, National Centre for Vocational Education Research

CHAIR—I now welcome our representative from the National Centre for Vocational Education Research to today's hearing. Although the committee does not require you to give your evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the House. We have received some written material to this inquiry from you. Do you wish to present any additional submissions or make an opening statement?

Dr Karmel—Thank you. What we tried to do in our submission was to indicate a rather small amount of research that has been done in this area that we have had something to do with. But, more importantly, we are trying to give you a bit of a taste for the data that we have pulled out from our various collections—the students and courses collection that collects data about vocational education training students, at least in the public sector, our apprenticeship and traineeship collection, and also our student outcomes survey. Each of these collections is very large, so we can really do quite a bit of fine-grained work. We have put out some tables comparing men and women which we hope are of some use to you. We certainly could do more work on this if you have particular aspects that you would like us to follow up. These are very big datasets, so we can actually get quite a bit out of them.

CHAIR—Thank you very much for that. I must say that, when I looked through the papers, I had a similar reaction to that of other members of the committee, particularly when we looked at your table 9: 'Outcomes of VET graduates six months after completing their training by sex'. When the question was put to the last witness, there was a suggestion that some of those differentials might be explained by part-time work. Can you perhaps talk to this table a little bit about what the data actually does show us?

Dr Karmel—That puts me a little bit on the spot, because what we have done in this particular table is actually to look at the salaries of those employed full time rather than those employed part time. This only relates to those employed full time. The reason we have done that is that it makes it much easier to compare the earnings of males and females. We probably could get material out with respect to part time, but then we have to adjust for hours and so on. What is interesting about this is that we do have the outcomes, even though they are only for those employed full time, of everybody—of those employed part time before training and of those not employed before training. So those last two tables really get to the issue of women who may have left the workforce to have children or have gone part time because of family circumstances but are then going back to full-time work. They are of some interest from that point of view. What you do see from that is that there are definite differences between males and females. Of those who are employed part time before training, for example, 38 per cent of males go on to full-time work compared to only 23 per cent of females. Some women are using the training as a bridge to full-time work, but some are going on to part-time work. You can see in terms of the actual average salaries of those employed full time that there are differences. Females earn on average \$32,300, compared to males, who earn \$34,900. They are not huge differences, and certainly not as big as if you look at the figures at the top, which is the average salary of those employed full time overall.

So, in terms of the transition, it is not easy to find big differences between males and females. Obviously one of the things that is also going on is that men and women are largely doing different types of work. There is obviously a very high degree of sex segregation in our labour force and, once we talk about the technical side of it, the vocational side of it would be even greater. For example, if we look at technicians and trades workers, the men who are in the trades will typically be electricians and carpenters and so on, whereas the women are either hairdressers or cooks. There are quite a few cooks, but only a smattering in the other trades. As you would know, electricians will tend to get paid a fair bit more than hairdressers.

Ms BIRD—That 3,100 just stands out in that table.

Dr Karmel—Yes, it does, doesn't it.

Ms BIRD—I am just wondering whether that is actually a misprint. It seems inconceivable.

Dr Karmel—The same did occur to me, and I will check that figure for you.

CHAIR—Thank you. Just generally on the issues, it seems to us, and we have had previous evidence, that in the education and training sphere there has been a genuine effort through the Australian Qualifications Framework to find, for want of a better description, some equity of certificates matching skill levels, one would hope. I am looking for confirmation of whether that is the case and whether or not in your opinion there might still be skills that are traditionally associated with women's work, such as in the caring area, that have not been properly recognised in the Australian Qualifications Framework. The second thing is that it is pretty clear that, irrespective of the qualification or certificate level in those industries where women are segregated, there is a substantial gap in rates of pay—in some cases at entry but perhaps less so in award areas, as we have found over time—between how those post-secondary qualifications are recognised.

Dr Karmel—Let us talk about certificate III. That is the traditional trade level certificate. That has been traditionally associated with apprenticeships of three to four years, even though some are now done a little bit faster. Those level qualifications were also introduced in a whole range of other areas, so we find them in retail sales, for example, and no doubt in some of the caring jobs. It really is a very difficult issue to say whether these are equivalent, because you can make them equivalent by administrative fiat and say, 'Yes, they are equivalent', but that does not actually change the way the world works. So, for example, we have the traditional apprentices doing a three- or four-year apprenticeship with about one full year's worth of training embedded within that. Then we have individuals doing, say, a retail certificate which typically would not have as much training involved. It is quite clear to me that it is very difficult to say that one is equivalent to the other. It is difficult in higher education to say whether a degree in science majoring in nuclear physics is the same as a degree in marketing. They are both degrees, but they are very different. I think we do have the same sort of issue in the vocational qualifications. It may be the case that we can introduce certificate III in retail, in child care and so on, but that does not really mean that these things equate through to the labour market, because typically what will happen is that people will get paid what the labour market thinks they are worth, and that is obviously affected by things like supply and demand, the extent to which that occupation is regulated and so on.

CHAIR—I guess what I am interested in is that, if it is a certificate III qualification, you would assume that there are a body of skills that goes to literacy and they should be of an equivalent level, irrespective of whether it is a certificate III for retail trades, sales or electricians. There should be a body of competencies that go to communication skills more broadly, or interpersonal skills. There should be a body of skills that goes to work competencies associated with occupational health and safety or problem solving. You would think those broader based skills that make up a certificate III would be and could be deemed to be equivalent, and then it is only in the industry specific or trade specific skills that there would be some variation. Or is my concept completely wrong?

Dr Karmel—I think it is very difficult, because while we talk about these broader generic employability skills as being really important, and that has been recognised for a long time, there always has been debate about the extent to which they can be embedded within the training packages, and whether they can be embedded in particular modules, or whether you do them separately. I do not think that has actually been solved, and a personal view is that we still have a fair way to go on that. The sorts of problem solving skills you might learn as an electrical apprentice with quite sophisticated and quite dangerous activities are likely to be very different from the problem solving skills that a retail assistant will learn. I find difficulty envisaging a situation where they would really be equivalent. That is what we see in people's pay; there are different levels of sophistication in these things, which have to be recognised.

Ms BIRD—If we use a different example and take the electrician verses an aged care worker who may in fact be dealing with prescriptions for frail people, and the physical labour of lifting and moving and so forth, yet we still see a big disparity there.

Dr Karmel—The example there might be an enrolled nurse whose level of training is probably at the diploma level rather than a certificate III level. Then you just run up against what I would call labour market realities, particularly when there is a building boom on, and electricians can command very high wages, but nurses are in a sector that is largely funded by government and, essentially, the wages are regulated to a large extent. It depends also very much on the labour supply and whether there is a shortage of labour. As soon as there is a shortage of labour in a particular area, that puts real pressure on the wages and conditions in that area. Of course, in the health industry, that is very complicated, because you have a range of skill sets going from specialists to general practitioners to nurses to enrolled nurses to personal carers to assistants, and the way that you organise work can vary. One thing that can happen is, if there is a shortage in that sort of area, rather than the wages just going up immediately, work can be rearranged to make use of other types of labour. But there is no doubt that we have seen wage pressures in some of those occupations, and wages have gone up in some of those occupations.

Mr HAASE—You understand that our endeavours in this committee are to encourage more women into the workforce, to solve what is very much a practical problem of a diminishing availability of employees in relation to jobs available in Australia, certainly up until two months ago. In your data, is there any indicator that regulating for or in some other way guaranteeing closure of the pay equity gap would put more females into the workforce?

Dr Karmel—That is a difficult question.

Mr HAASE—It was meant to be.

Dr Karmel—At one level, obviously if wages and conditions improve, that will attract more women into the workforce. But it does really depend on the pool of potential labour. When we have been looking at skill shortage data over the last period of time, the areas that have really been highlighted the most are the trades and the professional areas rather than these other areas. If that is the case, it may not make that much difference, particularly in some of the areas that we are talking about, like child care and so on. Probably what would make a greater difference would be the extent to which the government contributions change, for example. So, if more money is put into child care, there will be more places, there will be more people, mostly women, employed, and similarly in the health sector. What I am saying is that the wages are only one part of this story, particularly in those areas where there is a very large degree of government involvement.

Mr HAASE—Do you have any explanation as to why women congregate in particular industries?

Dr Karmel—I do have some views on that. I am not sure whether they are explanations. I think it is a combination of things. I think there is a predisposition for women to do some work rather than other work. Whether that is genetic or whether it is environmental, I would not care to comment on. For example, we do not find many women working as builders labourers, and we do not find many men working as nurses. There are women who work as builders labourers and there are women who work in the trades, and there are men who work as nurses, but they have been a small number, and they have been a small number for a very long time, even though this issue has been around for a very long time. Things have not changed much at all.

The other thing I would say is that there are some occupations which are much friendlier to women and having children than other occupations. The obvious example probably is things like child care, nursing and teaching. It is much easier to go in and out of these types of occupations than it is to go out of some other occupations. I actually did some work in my thesis. It is rather dated now; it is over 10 years ago, but I thought it was a little bit interesting, because I was interested in the relationship between the types of fields that women went into when they did their study and the payoff to them. I found that, on the whole, women chose fields that were not so well paid. I guess we all know that.

But the more interesting thing was that, if women had chosen the fields which men were in, the better paid fields, they would have been worse off than where they started. The reason for that is that the payoff to men and women seems to differ from occupation to occupation. There may be an element of discrimination in some of the professions in this, but the other way of looking at this is the penalty to going in and out of the workforce, or the penalty for wanting to work part time rather than full time, or not the overtime or whatever. So this is the line of argument, that in some areas it is much easier for women to move in and out whereas if you are, for example, an engineer or a lawyer and you are going to do well, you have to work very hard, you have to get into the club and you have to stay in the club. If you leave for a couple of years, it may be very difficult. There may be a real penalty to getting back to where you were. So I think that is part of the explanation of why women choose some areas, that those areas are actually friendlier to them during their lives than other areas.

Ms BIRD—Referring back to table 9, you talked about the technicians and trades workers, and the difference perhaps being explained by an electrician versus a hairdresser, but I am a bit

bemused. With respect to community and personal service workers, there is still over an \$11,000 gap. What would be the sorts of differentials in work that might exist in that sector that might explain that in the same way, or are there not any?

Dr Karmel—What we are talking about there is that these are the average salary of those employed full time of all our graduates. A large proportion of students who were studying in the VET sector are studying part time, so most of these people will already be in full-time work. I would hazard a guess—and I would have to dig a little bit into the data to demonstrate this—that what we are seeing is that the jobs that the men have in community and personal service work are different from the jobs that the women have. This is a largely regulated area, so for a given particular job, no doubt—

Ms BIRD—There is an award.

Dr Karmel—A man and woman gets exactly the same. But you may find, for example, that of these students, more of men are in managerial type positions in that area rather than lower level positions. So that would be my guess as the major explanation for that.

Ms BIRD—But it is the same for clerical and admin? Again, there is a \$10,000 difference.

Dr Karmel—Exactly. So we are seeing men who are further up in their careers relative to the women—

Ms BIRD—So they have got further up in their career without the qualification?

Dr Karmel—No, you cannot say that. This is a qualification, but we do not know whether it is the first qualification. In many cases, in some of these areas, you would find people who already have qualifications but who are getting more skills to help them in their careers.

Ms BIRD—To me, in every category there you have about a \$10,000 pay gap, so there is some story there of significance between the experience of men and women, and it is not explained by the most common explanation we have had, which is industry segregation.

Dr Karmel—Okay. I think it is explained in terms of—I am not sure whether you call it industry segregation. There is some industry segregation, but what I am saying is that, for a given job category here which is at a very coarse level, there will be segregation within that.

Ms BIRD—Yes, that is what I am interested in—what happens within the industry.

Dr Karmel—There is that, and the other point is that there will be differences in where people are in their careers, so there will be differences in their experience. That is one of the things that you will observe with women in their careers—that they are not getting the same payoff to experience as the men if their careers are interspersed with breaks and with chopping between jobs and so on. This is not the way that you—

Ms BIRD—I am an ex-TAFE teacher. If I am teaching community and personal services in one of these qualifications, I do not believe that most of the men in my class will be quite a few

years older than the women in the class and that that would explain the experience difference in what those students in that class walk out six months later and earn.

Dr Karmel—There is age and there is experience. Of course, they are not exactly the same thing for men and women. I guess that is what I am saying. Part of the story—and it is only part of the story—is that if you take a man who is 35 with, say, 15 years work experience and compare him to a woman who is 35, has 15 years work experience, has not had children and has kept in the same job, you will find she is probably earning pretty much the same as the man.

Ms BIRD—Yes, I understand that. But the vast bulk of students in the VET sector are not 35; they are in their late teens or 20s.

Dr Karmel—No, it is very evenly split.

CHAIR—Is that something that has changed over time?

Dr Karmel—I think it has been fairly constant. The VET sector has been always a very inclusive sector and I think half the students are young; the rest are spread out.

Ms BIRD—And the older ones would be coming back and doing diplomas relevant to their profession, or perhaps certificate IV?

Dr Karmel—Yes and no. They will be doing some of those. In some cases, you actually get people who come back and do a certificate III, even though they might have something higher, because it is in something specific that they want to do.

Ms BIRD—Computer studies or something like that?

Dr Karmel—Or management. Management would be a common one.

Ms BIRD—But management would normally be at diploma level or higher, unless they are doing a specific subject area or something like that. I am just trying to picture it. It is not an anomaly, unless the men are doing diplomas because it is a second or third qualification for them, and the women in the sectors are doing their entry level ones.

Dr Karmel—It is interesting that you say that, because if you look at the data on diplomas there are more women doing diplomas than there are men.

Ms BIRD—Exactly. I am struggling to match up that difference.

Dr Karmel—The first part of that table is basically saying that the men on average who were going to VET, particularly the ones already in jobs, are getting paid more than their female counterparts, so that depends on history. When you look at those, where you are looking at a change, there is still a differential but it is much less. If you look at those employed before training, at the bottom, you do see that the men are still doing a bit better, but it is not that \$10,000.

Ms BIRD—There is not the same gap.

Dr Karmel—In fact, if you eyeball it down, for managers, they are probably not huge numbers here. In fact, the women get more. I am not saying that they do get more, because there is probably noise in the data. The differences are much less. With respect to sales workers, for example, the men and women get pretty much the same. So it is not universal, but there is a bit of a pattern there. The machinery operators and drivers are—

Ms BIRD—Very much identical.

Dr Karmel—Again, the women actually end up with a bit more.

Ms BIRD—So that would tell us that the women in the top part of the table are more likely to be doing the training at entry level or after re-entry into the workforce, whereas the men are more likely to be in—

Dr Karmel—I am sure that is part of the explanation.

Ms BIRD—That is what is driving the gap?

Dr Karmel—You have some compositional things there, so the men, certainly if you abstract from the younger people here and look at the older people, will be pretty well on average entrenched in the workforce, whereas many of the women will be in entry level type situations—whether it is going from part time to full time or whether they had not worked for a while and are getting back in. I am sure that is the case.

Ms BIRD—Thank you.

CHAIR—Has there been an increase or decrease in the number of women undertaking vocational education and training over time, for the last decade in particular?

Dr Karmel—I can provide you on notice with a longer time series, but from data I can lay my hands on very quickly we have seen over the last five years, from 2003 through to 2007, that the numbers have actually gone down slightly from 2003 for women, more so than for men. It is about fifty-fifty. In 2007, 52 per cent of students were men and 48 per cent were women.

CHAIR—So fewer women in total are going into training?

Dr Karmel—Just slightly. At university, of course, it is the other way around.

Ms BIRD—If you look at these tables on commencements in apprenticeships and traineeships, it is very clear that something happens around 2003, because, if you look at apprentices and trainees in training from 2000 to 2003, the proportion of women was increasing. It had gone from 32 to 36.3 per cent. From 2004 to 2007, it decreased back to 32.9 per cent, and it is the same with commencements. The commencements were increasing from 41 to 43 per cent, but then from 2004 they are stagnant. Did something happen around that time?

Dr Karmel—Yes. There were two forces going on over that period of time. What happened with the skill shortages in the trades is that we have seen significant increases in the numbers of commencements in trade apprentices. They tend to be all blokes, or almost all. At the same time

we have seen a tapering off of the numbers of people going into traineeships, and they tend to be biased towards the women. So you have those things going on at the same time. One thing is going up and the other thing is going down. Off the top of my head, I think the number of trainees reach a peak around 2003.

Ms BIRD—So it would just reflect that changing balance between the two?

Dr Karmel—Yes.

CHAIR—I accept your explanation, but we had evidence in Western Australia from an academic who had done a lot of work comparing Canada and Australia in relation to women's employment in a number of factors. One of the things that was very clear, and not only in Canada but in a number of other OECD countries, was that Australia appeared to have a below average—in fact, quite a poor—standing when it came to women involved in type B post-secondary qualifications, which were not university degrees but vocational related qualifications. I am incredibly interested as to why that is the case. In part, I think you are saying that it is the nature of the industries where women segregate, and they are in a smaller number of industries. But like everything else we have dealt with in this area there are an incredible range of them. It concerns me that there might well be something more in this in the sense that we might not be doing enough to encourage women and girls into vocational education and training.

Dr Karmel—I am a little bit surprised at that observation. I would have to go back and look at my figures again, but I think the split between males and females in vocational education is pretty much fifty-fifty. It is slightly more for men, but there is a fair amount of occupational segregation within that. So the men are obviously concentrated in the trades and some of those other areas and the women will be in things like business services, the community services and retail, although there are men there as well. So I am a bit surprised about the observation that it is less than the average compared with other countries.

CHAIR—Maybe it is because they see the average wage differential and think there is no great incentive going on to do it. I do not know.

Dr Karmel—Certainly that is part of the story. I think that is why we see more women going to university than into vocational areas because, for a woman, if you do not want to get into the trades and engineering, which are the more highly paid parts of the VET sector, you are more likely to go to university. Nevertheless, I have still made the point that the split between men and women is pretty even in the vocational area. I do not know how the academic did the work and what exactly is meant by 'type B' and whether they ruled out some parts that we would include.

CHAIR—I might actually refer back to her evidence and come back to you with some particular questions.

Dr Karmel—Also, there is another point—and it is rather hard to make it off the top of one's head before we get the details—but there is a difference between the numbers participating and the numbers actually completing. Completion rates on the whole are fairly low in the VET sector, which I guess shows that many students are just doing some bits because that is what they want to do, that is what they need for their job or whatever.

CHAIR—Is completing not higher for women?

Ms BIRD—The completion rates I saw for women were quite good.

CHAIR—Yes, I thought so too. I am not sure which table that was in, but in tables 3, 4, 5 and 6 we had apprentices and trainees.

Dr Karmel—They are the apprentices and trainees.

CHAIR—Which are more structured and probably more likely to have people in employment?

Dr Karmel—Yes, that is certainly the truth. By definition, because there is a contract of training, people are in employment when they take on an apprenticeship or a traineeship. We do find that, on the whole, the completion rates are around 50 per cent right across the board—higher in some trades and also lower in some trades. Hairdressing is one of the worst. I would not expect to see too much difference there.

Ms BIRD—Just in terms of one of the aspects of getting women to enrol in non-traditional areas, have you seen any trends? I know it is still quite small, but I addressed a university engineering group not so long ago and I counted that about a quarter, maybe even a third, were women, which quite surprised me. I am just wondering if much trend data has been obtained on the actual enrolments of women in non-traditional areas in the vocational sector?

Dr Karmel—I have not looked at that explicitly but I would be happy to do so.

Ms BIRD—It would be interesting if you could.

Dr Karmel—My feeling is that there has been very little change. Certainly in higher education, as you said, 25 to 30 per cent doing engineering are women. We have certainly seen huge changes in medicine.

CHAIR—About the only thing I think we can look forward to is the GP visit becoming cheaper on the evidence we have taken.

Dr Karmel—I will not go into that.

CHAIR—Sorry, that was being facetious.

Ms BIRD—It would be interesting. I visit a carpentry class and there are three girls in it.

Dr Karmel—Yes. Things like accounting have also changed. My observation in the VET sector is that, when you go into those traditional trade areas, they are all young men. It has changed very little. There always is a couple of girls in these classes—always. Typically you find out that they are in it because their fathers are running a business and they have been around this stuff all of their life. Inevitably they always come top of the class, and invariably they never work in the trade because they get paid more doing something else. This is obviously an anecdote, but the sort of example that you get is a girl who does plumbing; her father may be in

the business. She finishes her apprenticeship and she then probably goes into something like interior design because being able to deal with tradesmen and know all of the technical stuff is just a huge advantage. But there would not be that many women who actually go into plumbing.

Ms BIRD—It would be interesting to see the data because one of the arguments I well remember is that women do not go into medicine because of the unfriendly hours. There were all these explanations about why they did not go into it, yet when the drive was on and they had started going into it those issues were less a matter of concern. So, to some extent, to say women do not go into the traditional trades because it is dirty or this or that or the other, I am just wondering whether that is true.

Dr Karmel—Part of the explanation is on the supply side and the selection side. Getting into medicine now is very competitive. You need a high TER and then there is an interview. So there is nothing in that process that biases it in my view towards males versus females or vice versa. It is very competitive, so a lot of people are trying to get into those courses, and the best people get in. When we look at a lot of these types of occupations, it is not always the same situation. I do not think a lot of women are trying to get into a lot of the trades. Maybe one thing that would be biased against women is that, to become an apprentice, you need a contract of training. To get a contract of training, you need an employer. If employers are biased against women then that would make it a little bit difficult for them. But I have not really heard anything that says there are lots of girls trying to get in but cannot.

Ms BIRD—The interesting observation I would make from the area I come from is that it is much easier for young women straight out of school to get into unskilled work. Retail and hospitality are areas that come to mind. I know that because I have two sons who said to me, ‘I can’t get a job in a shop or at the bar or whatever because they want the nice-looking young women.’ So they get pooled off into those non-qualified positions—not unskilled, because that is an unfair word—in general category terms, so the young men are hanging around going, ‘I can’t get work’ and so on, and they are hassling to get apprenticeships and things like that. To some extent that market is driving that split, regardless of what the intention is. That is interesting when we look at your data about women perhaps coming back later on to do qualifications. They do a couple of years in the retail industry and say, ‘That was great for immediate post-school, but now I actually want something a bit more long-lasting.’ I would be interested if you could get us the data on the enrolments into those traditional trade areas. The girls you are talking about quite often are 22 or 23 and they are coming back after a couple of years.

Dr Karmel—Okay. What I will do is look at the degree of segregation by field of study over a period of time, and I will do a couple by age as well. That should help on that question.

Ms BIRD—That is great. Thanks.

CHAIR—In relation to progress nationally on recognition of prior learning, RPL, for vocational qualifications, it seems to me at one point there was great promise that there would be a system of assessment and recognition of competencies, and really one of the issues that impacts on women’s re-entry to the workforce after childbirth or taking time out for children is this sense of not having any skills which can formally recognised. Often that is not necessarily true, but do we have a good system? It seems to me that any recognition of prior learning that is there is pretty well limited to specific industries and usually employed people rather than

someone coming in off the street and being able to get assessed and given some recognition for achievement of competency.

Dr Karmel—The recognition of prior learning is an interesting area. In policy terms, I am not sure how long it has been around—forever.

CHAIR—A long time.

Dr Karmel—It has had a real policy push to it for many, many, years and yet it seems to have gone nowhere. Off the top of my head, I think we are talking about three or four per cent of modules being obtained by RPL.

I think there are two reasons I can point to as to why perhaps it has not gone up as fast. The first is that RPL is not cheap. To actually assess somebody's skills, to do it properly, is about as expensive as delivering a course. That is not to say it is not a good thing, but it means it is not tick and flick. At some stages the providers were penalised for doing it because they did not get the full funding, but that is no longer the case as far as I understand. That is one reason.

The other thing I would point to is that from the students' point of view, particularly somebody trying to get back into the workforce, often there is a confidence thing. One of the ways of actually overcoming that is undertaking a course and completing it. So, from that point of view, individuals would actually rather do the course than get something ticked off. Getting it ticked off actually is very difficult from the individual's point of view because you have to get a portfolio of evidence, and frankly it is easier to do the course again. It is not only easier to do it again but some people want to do it again because they want to get their confidence back. They think they know the material, but they still want to do it. I am not sure if that helps your question, but it just seems interesting that, while there has been such a policy push, it has never really taken off with huge numbers.

CHAIR—I appreciate what you say. It does and it doesn't answer the question. I think you have probably hit upon the reasons why, but it seems to me that there has been no analysis done of whether it really is cheaper to put people through new courses than it is to have a system which is more individualised and looks at the development of where an individual worker's skill is. I know which I would prefer if I were employing people. I do not think there has been any economic analysis of whether it truly is cheaper to put people through generic, broad-based training courses from the start rather than actually identifying what the skill requirements are. Secondly, whilst I can understand someone wanting to undertake some revision as part of a sort of confidence-building exercise when they are out of the workforce, there is no better way to build someone's confidence than to actually give them a tick for the existing skills that they hold rather than treating them as if they were starting from scratch.

Dr Karmel—Yes.

CHAIR—I just worry about those assumptions.

Dr Karmel—I guess the other point I would make is that, if you were looking at trying to get back into the workforce and so on, and you were looking at the impact of training on that, the data that we have tends to suggest that it is the certificate IIIs and above that really have a

greater kick to them than the lower level certificates. That does not necessarily mean that you could not do RPL for those or for part of those. But part of what is happening is that you need a quantity of training to have any kick. Just a little bit does not help a great deal. What you would be talking about, I guess, would be trying to provide recognition but then also building on that so that you have something of real substance when you are trying to get into the labour market.

CHAIR—I think you are right, but I think where it is also letting us down, and I do not understand this, is in nursing, for example—an area that I know very well, albeit from a Western Australian perspective. We have a number of nursing occupations that used to be called nursing assistant; now they are generally called personal care assistants or carers as the case may be. They take up the AQF through to certificates III and IV. We have the enrolled nurse, which is the diploma level, and then the registered nurse at the degree level. Yet the capacity for a person employed in those nursing occupations to continue employment and see their qualification improved is almost impossible without their having to go out of the system. The certificates might be offered in a work related capacity, but to actually take the quantum leap from certificate level to diploma level to degree level is not something that is easily able to be achieved whilst working—and there is very little recognition of prior learning to give credits one level to another. I am not quite sure why. It seems to me that you might have academics who argue that there are sound academic reasons why that cannot occur, or we do not have a sufficiently good recognition of prior learning that recognises the university of life or the experience gained at work.

Ms BIRD—It is accreditation of courses, in moving from the VET sector to the tertiary sector.

CHAIR—Yes, maybe that is what it is.

Ms BIRD—This seems to me to be a large problem.

Dr Karmel—There may be industrial issues tied into that as well.

CHAIR—I am sure there probably are.

Dr Karmel—I think that is an interesting observation, because it has always seemed to me that, when you are looking at the health workforce—and there have been complaints about the difficulties of getting nurses and so on for many years—the obvious way to handle it is exactly what you said: to try to provide internal mobility, because that is an obvious way of getting into those types of jobs. From the point of view of the universities, I guess you would have to get them to comment on that. I would be surprised if there are not some arrangements from the enrolled nursing through to the registered nursing path.

CHAIR—There are. They are very inconsistent across the country.

Dr Karmel—I am sure they are inconsistent.

CHAIR—Often it is like one unit credit out of a 15-unit degree.

Dr Karmel—Yes, and the other trick that universities play is that you get six units credit but these are the compulsory units, so you still have to do however many.

CHAIR—Exactly. Ironically, conversely they have no difficulty with somebody enrolled in a degree of health science with nursing being paid as a carer assuming an equivalent level of skill responsibility as the certificate IV, which does happen in my own state.

Dr Karmel—Yes. I do understand that if you actually do undertake a vocational education and training subject, you never get credit for your university studies.

Ms BIRD—Do you have data on people studying a VET qualification who hold a degree?

Dr Karmel—Yes.

Ms BIRD—The other thing that a lot of the engineering students said to me was that a lot of them are going back to TAFE to do the trade to round out their learning experience.

Dr Karmel—Yes, I can get you data on that. I was looking at it in respect of the community services and health workforce for a paper that I gave at a conference a couple of weeks ago. There were quite a number of graduates who are in the VET sector and it seemed to me that they were of two types—and this perhaps oversimplifies it, but I think it is a reasonable conclusion. Some graduates were clearly building on their current work and their previous studies and were going back to do something specific. These were often in the management areas. Other graduates were going back to do things like personal carer type qualifications, and I think a lot of those were graduates who were actually struggling in the labour market and were doing this to get a specific job. No doubt some of them might have had a change of vocation and wanted to get into caring, but I think quite a few of them were not in that category. One woman in the audience made a comment to me about this. She said, ‘That rings true. In regional areas, often the only jobs that professional women can get are in those types of areas.’ So they go back to do those. It is a mixture of people building on their university studies and their skills and people not building on them but having to do something else for employment reasons. That is only in that industry. No doubt with engineers it would be completely different. They would be trying to round out their theoretical work.

CHAIR—This young man was saying that some of the feedback from the industry was that a lot of the senior people now who have come up from doing a trade themselves and who have worked their way up to running divisions of companies and so on were starting to say, ‘We don’t want any more purely academic people coming in.’ A bit of a backlash is happening about that.

Dr Karmel—Yes, and there is no doubt that if you are a very ambitious young man and you were prepared to undertake a three- or four-year apprenticeship and then do an engineering degree, you would be very well placed. But that is a hell of an investment. You are talking about seven or eight years of training.

Mr HAASE—Is that not also perhaps one of the factors that encourages employers to be prepared to pay a higher wage to a male employee starting out, because there is a greater likelihood of them, in unusual circumstances, doing just that; it is more likely than a new female employee doing so?

Dr Karmel—That may well be the case.

Mr HAASE—For instance, do you do any work looking at trends amongst employers?

Dr Karmel—We have not done a great deal on that. We do run an employer survey, but that tends to get general attitudes to training rather than this specific question on treatment of men and women and the relationship of that with their training.

Mr HAASE—Certainly my experience with anecdotal information is that less and less value is placed today on paper qualifications by potential employers and far more notice is taken of probationary periods of work and performance during that time and overall attitude of the prospective employee. There is a perception amongst the hard-nosed, experienced employer that pieces of paper count for less and less because the courses are less rigorous and the testing is less rigorous. That is in no way meant to reflect on you, but certainly it is the information I am getting.

Dr Karmel—We have done some work on this question of valuing qualifications and that is the sort of story that you do tend to get from employers, that they do not really hold much with the piece of paper, the qualification. However, when you look at the data from the other side, it is still quite clear that those people who do have the qualifications on average get paid better. Putting aside regulated areas where the decisions are made because of the award or so on, what that shows is that while the employer does not actually think much of the qualification, in fact people doing that training are coming out of it with skills that are valuable.

Mr HAASE—Categorised as prospective employees.

Dr Karmel—It is a filter, but I think it is more than a filter because, if it were a really bad filter, people would stop using it.

Ms BIRD—They do not employ people with no bit of paper.

Mr HAASE—Perhaps there is no other way.

Dr Karmel—I guess there is out there. I mean, you have just referred to one. If you have a very long probationary period and you test people out, then you could do that. But I guess what I am saying is that even with a long probationary period, on average, people who have higher qualifications in a relevant area are likely to bring skills to the job that they would then be able to demonstrate.

Mr HAASE—Do we not also tend to hear of the extremes where the certificate is not borne out by the performance?

Dr Karmel—Yes.

Ms BIRD—That is a result of deregulating the market.

Dr Karmel—I think this goes back to the question of RPL in some cases. You could hire somebody with a piece of paper that says they are a welder and if after a week it is quite clear that they cannot do the job then they would be fired. On the other hand, if somebody comes and

says they are a welder but does not have a piece of paper, you could try them out and in a week it will become pretty obvious whether they can or cannot work appropriately.

Mr HAASE—And perhaps at the recruitment level somebody is told, ‘Only trial those with the piece of paper.’

Dr Karmel—You can do that in a labour market where there are lots of people lining up for you; you cannot do it in a labour market where they are not.

Mr HAASE—Fewer and fewer in the west, currently.

Dr Karmel—Exactly.

Mr HAASE—If he has two arms, two legs and a head, give him a start.

Dr Karmel—Or her!

CHAIR—Or her, yes.

Dr Karmel—But with a probationary period.

Mr HAASE—Yes.

CHAIR—I do not know if you are aware of any other additional information than what you have presented to us that, through your own research, you think might be relevant to this inquiry, but if you are aware of some, or if you do think of some and it is reasonably publicly available, I would certainly appreciate that being drawn to the committee’s attention through the secretariat.

Dr Karmel—I would be pleased to do that. We tried to list out the reports in the submission which we thought would be relevant.

CHAIR—Thank you. We very much appreciate your attendance today. I hope you have not found it too onerous. We did ask you, or you might have volunteered, to provide a bit of additional information.

Dr Karmel—Yes.

CHAIR—If you are able to do that and forward that through to the secretary, we would be grateful. You will also be sent a copy of the transcript of your evidence, to which you can make corrections of grammar or fact. I would just like to say, on behalf of the committee, thank you very much for your attendance today. It was greatly appreciated.

Dr Karmel—Thank you for inviting me.

[12.16 pm]

DANN, Ms Sandra, Director, Working Women's Centre South Australia Inc.

CHAIR—I would like to welcome the representative from the Working Women's Centre to today's hearing. Although the committee does not require you to give evidence on oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses. We have received your written submission, and I thank you very much for that. Do you have any additional submissions or would you like to make an opening statement prior to the committee asking you some questions?

Ms Dann—Yes. I guess I would just reiterate that the written submission was presented on behalf of the three Working Women's Centres in Australia, so I am representing them as well. I guess whenever we have a discussion about grappling with pay equity, we feel like it is a little bit like grappling with a slippery eel; just when you think you have hold of one policy lever that will fix everything, it slips away as the realities of situations become clearer. I guess the strength of our submission is that we deal with working women on a daily basis in a number of states and territories. I guess our submission looks at a number of industrial instruments that we think impact on pay equity. Also, because we talk with women about their lives, we have included what I call social issues that have an impact on women's capacity to earn throughout their lifetime.

CHAIR—Thank you very much for that. I appreciated some of the anecdotal information in your material. One of the first things you recommend is that there be a Commonwealth funded national awareness raising campaign, and we have certainly had evidence previously from the Diversity Council Australia, amongst others, that there is a lack of awareness in this day and age that we still have a pay equity gap. I guess I am curious as to what you think that national awareness campaign ought involve.

Ms Dann—It is clear that it would have to be carefully handled. A national awareness campaign that only seeks to scare the horses, a bit like the first AIDS campaigns, would not be useful, and there would be a backlash against women. We have seen successful campaigns, like the two we named in our submission, which were community campaigns about the health benefits of not smoking and the benefits of wearing seatbelts.

If we got better at naming what the actual problem is and then coming up with solutions, it might go some way. In any campaign or in any issue that you are trying to rectify, you need to start by naming the problem, and it is clear from our discussions with employees and employers that gender pay equity is just not well understood, not on the radar and not considered as a reason why there might be skill shortages in some areas.

CHAIR—It is quite a complex issue, as we have talked about, and you said a slippery eel, and different reasons have different contributing factors. What you might want to say in one industry or industry sector is quite different to the message you might want to deliver elsewhere. You talk about smoking and seatbelts; in some respects they are relatively straightforward. We can name the problem—gender pay equity gap—but in some cases it is caused by outdated attitudes to

where women ought to work or be employed. Maybe I am not making myself clear, but it seems to me it is a lot easier with smoking and seatbelts because there is a cause and effect.

Ms Dann—Campaigns can be run quite selectively as well. It might be that a campaign is targeted to a particular industry and to potential workers who are women who might want to move into that industry. There might be capacity to develop some resources to support that move. A campaign may be targeted at employers in a particular area that has some helpful information about what they can do to improve their situations around attracting and retaining skilled workers.

CHAIR—We talked about in other places the pay equity audit that EOWA encourages, and a lot of employers are quite surprised the first time they go through the audit that they have a pay equity gap. So once you kind of try to help them through that, that is part of a national awareness campaign?

Ms Dann—Absolutely.

Ms BIRD—I found the case studies really fascinating and useful. What stuck me, and I would like you to make comment on it, is that it appears to me that we have got better at the entry level, so a lot of young women will say: ‘I don’t know what you’re going on about—I don’t see a problem. Rightly or wrongly, I think I’m earning the same as my male counterparts. I’m not getting blocked from doing overtime.’ Then either after a period out of the workforce for children or a point at which they are looking at promotion beyond a particular level, they suddenly come back and say, ‘Oh, I have just hit this.’ Do you get that sort of thing?

Ms Dann—Absolutely. We have obviously been doing a lot of work around paid maternity leave and paid parental leave as well for the Productivity Commission’s hearings. We are often still struck by women, not so much when they return after maternity leave but at the point that they become pregnant and tell their boss that they are pregnant, who ring up quite shocked. They say, ‘Where’s my paid maternity leave? I thought we had it.’ We have to say, ‘Well, no, actually; the majority of women employees don’t have it.’ That still astounds us a little bit that women do not know what their industrial rights and conditions are. But it is understandable in many industries as well.

Ms BIRD—What I am finding interesting here is that it is a more common behaviour for young people in today’s generation to take time off work. I think of my son who is 24 and several of his friends who have trades and things, and they have gone off overseas for two or three years, yet that does not seem to be a barrier when they come back to re-entering the workforce. Yet you take two or three years off to have a baby and it is.

Ms Dann—Yes.

Ms BIRD—I am just wondering if the stories and the experiences that you hear give some sense of what it is that is being said or the views that might be contributing to that attitudinal barrier to women coming back to work after babies, because it cannot just be time off when there is no problem with the young people who have been overseas coming back into the workforce.

Ms Dann—Well, when you have been overseas, you do not usually come back with a baby either, just the backpack that you dump in the corner.

Ms BIRD—No, well, I certainly hope not!

Mr HAASE—There are exceptions.

Ms BIRD—Yes, there are exceptions.

Ms Dann—My comment around the paid maternity leave debate, which I have found a very interesting one, was that particularly in Australia, what we scratched there was a deep level of misogyny. I can think of no other explanation about why we got so excited about the fact that the world will cave in if we grant women paid maternity leave. It does not make economic sense. The figures in other countries do not bear out that paid maternity leave will mean job losses. That is the only explanation I can come up with. I think there is something deeply entrenched in the Australian psyche. I am not skilled in this area or qualified in this area, but more and more doing the work that we do, when young women ring up and they have been sexually harassed and it is 2008 and we have clear laws both at the federal and state levels that make this illegal, one would have to say: what on earth is going on out there? That is my answer to it.

CHAIR—Two steps forward and 10 steps back. Did you have a question, Barry?

Mr HAASE—I am on the verge of an exclamation.

CHAIR—Do not be intimidated by my look.

Mr HAASE—I am never intimidated, Chair, but I just think some things are patently obvious, and they are to do with gender difference. If we try to legislate away gender difference, we are going to be wasting a lot of time. There is surely a realisation that employers want as little change as possible in the workplace, and the case put by my colleague about the returning holiday maker who has taken time off in those years when one expects people to be stupid anyhow, or perhaps they come back and contribute something with their worldly wisdom, is a totally different kettle of fish to somebody bearing a child, leaving the workplace and then wanting to come back with a child and with those additional responsibilities. Employers are basically a practical lot and they want the least amount of change, the least amount of risk, the greatest amount of guarantee and the greatest commitment by the employee to the workplace, not to a secondary or even a primary issue which is outside the workplace. I think we can consult as much as we like, but if we overcome those basic preconceptions and not ideals but almost phobias—

Ms BIRD—Presumptions?

Mr HAASE—I will use the word ‘phobias’—when we overcome those phobias, we are going to be decades down the track from where we are now, because we have to override hundreds of years of experience in the workplace where men worked and were committed to the job, and women worked and were committed to man, family and home, and work was always a supplementary thing. We will overcome that, I am sure, when we are all androgenous and maybe—

Ms BIRD—When we are paying out daughters' HECS fees and saying, 'I want her to be out here earning'—

Ms Dann—I have a couple of responses to some of the comments you have made. If you are talking about legislating away gender difference, there is another way of reframing that, and that is to apply appropriate legislation to the different aspects of men's and women's lives. All of the data bears out that women do more than their fair share of caring responsibilities. I am not convinced that that innately, genetically or manifestly has to do with gender. Sometimes there need to be legislative levers to promote a different way of functioning in the world. If we do something proactive to encourage women's participation and equal participation in the workforce, then that will benefit both families and employers.

Mr HAASE—How so?

Ms Dann—I would think that would be obvious.

Mr HAASE—Well, no. Something must give.

Ms Dann—You have a huge pool of—

Mr HAASE—Something must give. If you change the current situation, and unless you can very carefully predict the outcome of that change, you cannot be confident in saying that it will be a good thing.

Ms Dann—In South Australia there are approximately 140,000 women who are available for work; 61,000 of those want to work but are not working, while 60,000 South Australian women who are working want more hours of work, and employers cannot fill positions. There is a solution definitely in our state. The labour market is there, but it is not being utilised. I think there are some simple approaches and policy levers that could be applied to utilise that workforce to benefit—

Mr HAASE—I think collectively we would love to hear them.

Ms BIRD—Child care.

Ms Dann—Child care would be a good one.

Ms BIRD—Out of school hours care.

Ms Dann—Another comment you made was about young men returning from overseas with perhaps a greater sense of worldly wisdom. I would say that there are not many things that add to your worldly wisdom more than being responsible for a small baby and juggling all of the roles that go with that, including returning to work. I think it is a presumption to say that women who have had a baby do not bring anything back to the workplace except trouble. Most employers would not agree with that, either. They want to keep their staff; they do not want to lose them. They want to encourage them back to work. Certainly, we see a lot of problems for women returning to work from maternity leave, and it is often about the difficulty of finding adequate child care for their baby when they come back to work. Sometimes it is about deeply

held beliefs about women participating in the workforce when they have a child. We have seen employers and employees having fruitful and productive working relationships for something like 10 years, and then the woman employee tells her boss that she is pregnant and the whole relationship changes. That is not the case in every situation, but it is certainly—

Mr HAASE—But that contradicts what you are saying about employers highly valuing their now mother status previous employee.

Ms Dann—I think it is the skills that they value.

Mr HAASE—They value the skills, but the change of concentration, surely, of the—

CHAIR—If I can just translate, though; it seems to me that Mr Haase is saying you are not criticising the employer, for want of a better description, but saying something has changed when my employee goes and gets herself pregnant?

Mr HAASE—Of course. It is their perception, that the priority has changed.

CHAIR—Whereas you are coming at it very much from a very different perspective, which is that, as part of our society, it is one of those decisions you will make in your life whether or not you will have a family. The impact I think is quite potentially, in some workplaces, very different from that decision whether you are the father or the mother of the child.

Ms Dann—Absolutely.

CHAIR—I guess, Barry, we are sort of suggesting that maybe it is the employer in those circumstances who requires an attitudinal change rather than it being something inherent—

Mr HAASE—Yes, but the practicality of the situation cannot be overlooked.

CHAIR—I understand what you are saying.

Mr HAASE—The practicality of the situation is that a woman whose secondary consideration might have been the employment situation suddenly gives a third consideration to the employment situation.

CHAIR—But that assumes that the man, even though he is the father of the child, has work as a higher priority than his family.

Mr HAASE—Exactly.

CHAIR—I do not necessarily accept that presumption.

Mr HAASE—Well, just look to the evidence. Look to the evidence and find out what lengths males, fathers, will take overtime—

Ms BIRD—Barry, I think you are reflecting our experience—

Mr HAASE—I am.

Ms BIRD—I would say to you that having a brother who gave up full-time work and is home full time looking after kids because his wife—

Mr HAASE—Yes, but yours is an exception.

Ms BIRD—No, it is more common with that generation.

Mr HAASE—It is becoming more common, but it is still the exception.

Ms BIRD—We will debate amongst ourselves.

Mr HAASE—We need to get a handle on what the solution to the situation is of getting women back to work. The solution is not necessarily proven to be in pay equity. I certainly get a body of information that says women value flexibility in the workplace much more than they value equal pay.

Ms Dann—Women value job security, I think, most highly.

Mr HAASE—Okay, maybe we live on a different planet, but it is certainly not the experience. The women that I come in contact with wanting to work, once they have had their first child, their priority is the opportunity to mix employment and some income and lifestyle and motherhood. That is their priority.

Ms Dann—And is there a problem with that?

Mr HAASE—No, no, there is not a problem. The solution for getting women into the workforce and maintaining them in the workforce is not necessarily pay equity. We need perhaps somehow to qualify the value of flexibility, and we need to be able to make it available and not have this derogatory term for part-time hours, and devalue part-time work. I think employers ought to have a pride about the offering of part-time or flexible hours or whatever. But if that offer is going to be at the expense of the bottom line of shareholder returns, then it is going to be viewed in a different way.

Ms Dann—We refer in our submission to the right to request part-time work, particularly returning from maternity leave. We are very fond of turning that phrase on its head and reframing it as an obligation to provide by the employer, because we think that might make a difference, particularly around paid parental leave, for men and for women. We know that men are notorious for not taking up family-friendly flexible arrangements that they have. In the South Australian public sector, for instance, where men have that capacity, there is very little usage of that. It obviously requires some sort of encouragement to enable men to access their entitlements.

Ms BIRD—What reason are men giving to not taking paternity leave and so forth?

Ms Dann—Lots of things, ranging from ‘The other blokes will think I’m a wuss’—.

Mr HAASE—Yes.

Ms Dann—To feeling like they will miss out on something if they are not in the office working long hours; that they will be seen to be—

Ms BIRD—Less committed.

Ms Dann—Skiving off, particularly in areas where there are high workloads; lots and lots of reasons.

Mr HAASE—Is anyone brave enough to tell you that they would rather be at work because it is easier?

Ms Dann—Yes.

Mr HAASE—Yes, ain't that the truth!

Ms BIRD—It is similar interestingly to the time off in lieu problem on which we have had evidence as well, when instead of paying overtime you say to people, 'take time in lieu'. The reality of their job is that they never actually can take the time in lieu, so the giving of an entitlement, as you say, in itself is not sufficient.

Ms Dann—That is right, yes.

Ms BIRD—The thing that worries me is that if the men are saying that they are the reasons they do not take paternity leave, does that therefore translate to that is their view of women who do take maternity leave? I do not think it is probably as dramatic, because I think there is still a social perception that women need to have babies and we need families and so forth, but there is still a value judgment about your commitment to work and so forth, and it is the sort of thing that Barry is alluding to. I would suggest from the data I have seen that women actually tend to stay employed with one employer for longer than men, and they tend to reflect much higher loyalty levels to companies than men. Yet that does not translate into, 'This person is actually more likely to stay with me, even though she is going to have children, than the bloke who will be down at the pub every Friday night with his mates saying, "What's on offer at your company? Is there anything better for me there"?' Those perceptions are still very strongly there.

Mr HAASE—Something I would love to put just on this vein, before you jump in, Chair: would it not be wonderful to have some statistics about attitudes of decision-making supervisors to the return of an employee to work after child bearing on the basis of their gender; whether the female supervisor is more sympathetic and outcomes are more positive on return than with a male supervisor? Has anyone ever done anything? Do we know anything about that?

Ms Dann—I do not know. It is not always the case that women are more sympathetic to other women.

Ms BIRD—Sometimes they are worse.

CHAIR—Believe it or not, I think some of the information presented as part of the Productivity Commission inquiry into paid maternity, paternity and parental leave actually might assist, but I do not think it went as far as you would like. It would be very interesting, kind of like myth busters in a sense.

Ms Dann—Yes. We find that employment relationships do often break down at the point where a woman returns to work, and often it has to do with personal sorts of issues.

Ms BIRD—It is not dissimilar to people trying to return to work after an accident or disability or illness, and you have been off for a long time, and you are trying to return to work. I do not necessarily think it is about gender entirely; I think a lot of it is around perceptions about a break in the work pattern and having to make adjustments for somebody who is coming back into the workplace.

Mr HAASE—And what practical adjustments have been made in their absence.

Ms Dann—Yes. We have done a deal of research around the vexed issue of workplace bullying, and we know that bullying escalates at the time of return to work, either from maternity leave or from an accident. I forget what I was going to say about that. I will come back to it if I think of it.

CHAIR—We have had a lot of evidence—and your submission concurs with it—that the pay equity gap is smaller in areas regulated by awards and then collective agreements and much larger where it is individual contracts or individual based negotiation. We have some evidence from an employer in Western Australia, actual anecdotal evidence about her contracting women and men for the same position offering the woman the job and naming a salary of \$40,000, and the woman saying, ‘That’s good, thank you,’ and then making the same offer to a male and he said, ‘I think \$43,000 or \$48,000 is probably a better rate’, to which, ultimately, she agreed. That is a bit of preamble to say that one of the issues suggested to us is that women are not as good negotiators of wages and conditions. I am interested whether you concur with that, whether you think it is not just because they are not as well qualified—and we are talking about at professional and CEO level as well as unskilled level?

Ms Dann—Yes, I would concur with that. It is certainly something that our clients talk about quite often. In the submission we talk about getting calls from quite high-level professional women who want to us to run past their contract, their offer, and really all they want us to say is, ‘Yes, that is a fair offer’ or ‘That is not’, compared to equivalent awards and so on. They do not feel that they have any capacity to go in and negotiate. Often we will suggest that they can ask for more, but their response is, ‘Oh, no, I wouldn’t want to do that.’ Some of it is about fear of having the offer withdrawn, being seen to be pushy. Some of it I think is still about the way women are enculturated. We tend to not push our skills forward or ask for more. There is a sense, I guess, of entitlement, but I have no data to support that. It is certainly the experience that a lot of women callers to our centres talk about.

CHAIR—Can you think of structural things we might be able to recommend to assist with that? I know that your submission refers to the importance of having objectives in any workplace relations legislation that say, ‘One of our objectives is to achieve pay equity.’ We have had people talk about principles, but frankly, that will assist with maybe the award area and certainly,

you would hope, in some collective agreement areas, but it will not assist in the negotiation of individual contracts of employment.

Ms Dann—The Queensland Working Women’s Service will just about complete next week, I think, a round of visits right across Queensland, including in regional places, where they are running very intensive workshops for women on skills negotiation. The feedback from them is that they have been very well received, that what they are offering is hitting the mark, it is what women want, and that women are getting the opportunity to practise some skills in those workshops. What is missing, of course, unfortunately is what impact does that have when they are in a situation where they are required to negotiate. I think a lot more very grassroots awareness-raising, skills workshops of that nature will be important.

CHAIR—I guess the other aspect that I have been interested in is the impact and the changes, as I perceive them, to part-time and casual work. We know that the substantial proportion, some 44 per cent, of part-time and casual workers are women.

Ms Dann—I think in South Australia it is higher.

CHAIR—Australia has a very high level of part-time work, and I am not opposed to it. Clearly, it provides an opportunity and a choice for a lot of women to be able to earn some money, to continue to remain connected with their careers or the workforce as well as still enjoy raising their family. It seems to me that it has become a lot less regulated over the last 10 years. It has become a lot more precarious, I think. Is that your anecdotal experience with your clients at the Working Women’s Centre?

Ms Dann—Certainly we deal with the most precarious workers in South Australia, so we often hear stories of that nature. Part-time and casual work is seen as easy come, easy go, yet there are many, many women workers who have been in casual arrangements for eight years. We do not see them as genuine casual workers. They have a pattern of hours of a full-time worker, and we would argue that they look like a full-time worker and should be remunerated accordingly.

CHAIR—Mr Haase referred to a survey report from Western Australia, in which a significant number of women, as high as 82 per cent I think, said that they valued part-time and flexible work arrangements—obviously positive ones, can I say—more so than issues associated with wages principally. It just seems to me that maybe we are using the wrong definitions now for what constitutes a casual. What you have described is a regular ongoing employment arrangement. Maybe it is a financial issue, whether or not they are getting a casual loading or whether they are accruing leave entitlements; maybe it is time to review those kinds of structural definitions?

Ms Dann—I think so. That will be part of the submissions that we make to the federal government about Fair Work Australia and the National Employment Standards. I think there is a good argument for good part-time work for women in that it enables an ongoing attachment to the workforce. It keeps them current, and our patterns as workers, both men and women, should be able to be flexible over a lifetime of earnings. I have no beef about good part-time work; I think it is essential. Hopefully, the conditions around the marginal areas of casual work can be tightened up to provide better protection for people.

CHAIR—In this day and age, we equally have to provide employers with a sense of flexibility as well in what is a pretty rapidly changing labour market.

Ms BIRD—One of the most problematic examples, I think, is teaching. We have a significant—and in the VET sector, even worse—proportion of people who are casual, who in effect do a full teaching load but they do not get paid for about eight weeks of the year.

Ms Dann—Yes; I am one of those people.

Ms BIRD—Despite the casual loading, still earn significantly less per annum.

Ms Dann—Yes. I used to work for TAFE in New South Wales. I began as a part-time teacher and was teaching more than a full-time load. I did that for, I think, four years before I secured a full-time job. With the assistance of the union, I worked out that I was being paid about two-thirds of the full-time rate for working harder, longer and across campuses in the Hunter Valley.

Ms BIRD—So, to some extent, governments themselves perhaps could take a bit of a lead in terms of these sorts of issues?

Ms Dann—There is a whole area around independent contracting as well where I think government needs to have another look. In South Australia, we see that areas like family day care or foster care are contracted out to third party organisations, and at no point does the worker have the status of employee. Sometimes those arrangements are done deliberately to put risk at arm's length. I do not think they effectively do that. I think what ends up happening is that the worker does not receive the entitlements they should. They have to cover their own superannuation, their own insurance, they do not get sick leave or annual leave, and they work in very difficult situations, often with families where children have disabilities or other difficulties. I agree that government sometimes takes advantage of those arrangements.

Mr HAASE—I would like a reaction to another proposition. I love reactions. We have been discussing a great deal about what I call making more masculine the approach of women in the workforce so as to compete with males and therefore close the gender pay gap. I think committee members would concur with me there. We have had a number of discussions in this regard.

Ms BIRD—But we value women's capacities too.

Mr HAASE—To get women into the workforce, we need to make them more like men: more assertive, better negotiators, et cetera. What would you say to a proposition that said we ought to promote to employers so as to get a reaction to close the gender wage gap the positive aspects of femininity and therefore women in the workforce and their innate skills?

Ms Dann—It is interesting, is it not, that, when women are asked to negotiate for their own purposes, they are uncomfortable with that, yet within families it is often the woman who is the head diplomat, who is holding the whole show together and who negotiates on a daily basis. It is not that women lack negotiation skills. Certainly I would agree that there are positive benefits—

Mr HAASE—In case you have misinterpreted me—

Ms Dann—No, I am on to it.

Mr HAASE—I am not talking just about negotiation skills.

Ms Dann—Yes. If employers did promote the benefits of employing women, I think there is some value to that. Again, with our work around workplace bullying, we did some major practical work in the aged-care sector where bullying is rife. Ask any aged care worker and they will tell you that. One of the things we found, and that I think is common across the caring industry, is that in the caring industries you hire people because of the value of their heart work. That is an enormous contribution that they make within the caring industry, and it is a skill that they have to have to be successful there. What happens when they come into that work is that, with very high workloads and accountability and so on, effectively those workers are asked to close down their hearts. ‘Yes, Mr Brown has died, but you have to strip his bed and clear it out because Mrs Jones is coming in an hour, so get it done.’ There is no capacity to grieve for a person that they may have developed a closer relationship with than their own grandparents. We found constantly that that was a tension in the caring industry. I guess one of the things around pay equity is that, when we talk about women gravitating to care work and traditional female areas and so on, we are asking for the caring component, but we have never named it and we do not remunerate it. I do not know how we do that, but maybe that is a debate that we need to have as well.

Mr HAASE—I do have an example of that being the case, and it is in the mining industry, and it is in relation to a haul pack guy. You will find from almost every supervisor of drivers that women are better drivers, they are more caring with the equipment—

Ms Dann—The brakes and the tyres.

Mr HAASE—Less maintenance—the tyres and brakes, you are dead right. So, that has gone around the industry now. Companies go to a great deal of effort, that extra yard, to attract employees to train as drivers.

Ms BIRD—The bus companies have done the same thing.

Ms Dann—Yes.

Mr HAASE—Yes, a similar situation. I do not know how far you have to go back but, say, 20 years ago, that was not the case.

Ms BIRD—I do not know.

Mr HAASE—That was not the perception. It had not been talked about.

Ms Dann—I used to work in TAFE in New South Wales, coordinating women’s courses in education, and a component of that course was two weeks work experience out with an employer. I used to organise those. This would be 20 years ago now. Often the women would secure jobs out of their job placement because the employers would report back that they were reliable, they were respectful, they were mature, and they were not having every Monday off because they had a hangover. There were a whole lot of things that came back that they were

surprised about. From year to year I would try to use different employers, but often employers would ring me up at around the time that work experience was to happen and ask, 'Where is my worker?' They had become used to having mature age women in the workforce. They really valued them.

Mr HAASE—Maybe we should be making more of it.

Ms Dann—Yes.

Ms BIRD—My sons won't ever get a job!

Ms Dann—They will be fine.

CHAIR—Thank you very much, Sandra. That was incredibly useful, and I thank you for your attendance here today. I cannot recall whether we have asked you to provide any additional information, but if we have—

Ms Dann—I do not believe so.

CHAIR—You may hear more from us, you never know. You will be sent a copy of the transcript of your evidence to which you can make corrections of grammar and fact. On behalf of the committee, thank you very much for your attendance and for your submission.

Ms Dann—Thank you. On behalf of all the Working Women's Centres, thanks for the opportunity. We are very, very interested in the outcomes of this committee, so thanks for the opportunity.

Proceedings suspended from 12.58 pm to 2 pm

WALLACE, Mr Robert, Human Resource Manager, Local Government Association of South Australia

CHAIR—I would like to welcome a representative of the Local Government Association of South Australia to today's hearing and thank you officially on the record for coming down a bit earlier than expected. It is greatly appreciated. Although the committee does not require you to give your evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses. We have not received a written submission to this inquiry from you, and I ask if you would like to present a submission or make an opening statement before the committee has some questions to put to you.

Mr Wallace—Certainly. I do not have a written submission as such, but I do have some documentation that I would like to rely upon as I verbally make my submission, particularly some graphs and some tables that we have put together, if that is appropriate.

CHAIR—That is fine. If you do want to put that information formally before the committee, we might accept some of it as an exhibit at the end, but feel free to refer to it as you go along now.

Mr Wallace—Sure. Should I pass it over?

CHAIR—Oh, you have got copies for us. Fantastic! We will accept it, then, as an exhibit.

Mr HAASE—So moved.

CHAIR—There being no objection, it is so ordered. The exhibit is titled 'Local government in SA—gender equity issues'.

Mr Wallace—Thank you. The Local Government Association has undertaken some substantial workforce planning since 2001 and has been following a number of trends within local government. Specifically what I have taken out is those trends that are relevant to gender type issues. Graph 1 is 'Study group by gender'. We have between 9,000 and 10,000 employees in local government in South Australia with a split of 53.5 per cent being male and 46.5 per cent being female. We also break our workforce down into functional groups, being corporate, environmental, human services and engineering/infrastructure, with engineering/infrastructure making up 45.3 per cent of our functional groups. Moving to the third page, some of the data becomes quite interesting. Engineering/infrastructure, which again is 43.5 per cent of our workforce, is strongly dominated by males—probably around 75 per cent male and 25 per cent female. Corporate, on the other hand, is strongly dominated by the female part of the workforce. Environmental is reasonably evenly split, and human services is predominantly female, with fewer than 20 per cent being male. There are some written findings resulting from those graphs which I have already briefly outlined.

If I can move to a graph based on classifications profiled by award, which comes down to the issue of pay inequity, the municipal officers award, which predominantly covers our

administrative indoor staff—planners, environmental health officers, library; quite a variety of the workforce—we have a large grouping of employees at the lower level classification, levels 2 and 3. It progressively declines up to level 7, and at level 8 there is a large peak. That peak is representative of essentially above agreement payments where, with the skill shortage, the employer has been required to pay beyond what the enterprise agreement would classify to attract the appropriate staff. When we break that issue down in terms of a gender base, we can see on the graph next to that women account for roughly 80 per cent of the workforce being paid at levels 1, 2 and 3, and roughly 60 per cent of the workforce at levels 6, 7 and 8. So clearly there is an inequity occurring in terms of progression through the levels.

Similarly, if we have a look at the outdoor workforce, which are our road construction groups, where women, in any event, are underrepresented quite substantially, there is a large grouping in the middle of the field between level 4 and level 7. Owing to the nature of the multiskilling requirements that we now have in local government, we do not use the lower levels very often, but the gender comparison reveals that the women who are working under the local government employees award appear to be predominantly on levels 1, 2, 3 and 4. Not many women have progressed past those levels.

The final page of the graphs of the workforce planning project breaks down employment type by gender but also breaks it down into full time, part time, casual employment, trainees and fixed term employment. Well over 80 per cent of the part-timers and just under 80 per cent of the casual employees are women, and in full-time employment roughly one-third women and two-thirds are men.

We have attempted to make some assessment out of those two pieces of data collected, the first one being in 2001, the second one being in 2005, and recently we have updated those figures with the 2007 general information return required by the Grants Commission. We have formed a women in local government working party, which is specifically looking at two issues. One is the increased participation of women in elected positions, which is not relevant to today, and the other is women holding senior positions. The working party has established an action plan to start dealing with some of the issues as we see them in local government. The plan is broken down into four areas. The first part of the plan deals with what further data collection and analysis we need to undertake. Phase 2, or the second part of the plan, deals specifically with promotion, attraction and retention. Part 3 deals with induction training and development. Part 4 deals with organisational structure and culture.

The working party has identified so far that a number of factors determine why women are not progressing at the same rate as men in the classification structure. I refer to it in that way rather than as ‘pay inequity’ because I think it is important to understand that the local government classification structure is based on skills, knowledge, line of authority, initiative, judgement and problem solving. The criteria would apply across regardless of gender. If I were to receive a position description, gender just simply would not be an issue; the classification would be determined simply based on the position description that existed.

The issue for local government appears to be more a case of why women are not able to progress through the classification structure and work their way through to senior positions in the same numbers as men. So there are a few issues that we are trying to tackle. The first is the level of part-time work and casualisation, and some research is required into whether those

positions are being filled by women by choice, because they prefer to have flexible working arrangements, or whether the organisations are creating the positions and then merely getting applications from women who are able to provide that sort of flexibility with their work. So there is the aspect that it may be driven by women in the workforce because they require certain flexibility. But it may also be that there are women in the workforce who do not want to advance beyond certain levels, who are comfortable with their position and, for a whole variety of reasons, whether it is family impact or other social considerations, have not determined that they want to move forward at the same rate. But the main issue for the working party is to look at organisational culture. We believe some significant improvements can be made in culture within the workplace, so there will be a significant focus on how we deal with those cultural aspects.

We are reviewing the workforce plan at the moment and looking at future needs. One of the key findings appears to be that if women have not been able to progress by the age of 40-plus through the classification structure, they are less likely to achieve it, whereas that does not appear to be true for men. So there is some learning to be done in that environment to analyse why that is occurring.

The Local Government Association has worked extensively with local universities and TAFE to provide a number of study opportunities to allow local government employees to advance their careers. We are fortunate that we can receive additional funding through CareerStart SA from the state government to be able to offer 40-plus employees opportunities to study in fields particularly where we are now suffering shortages—planning, environmental health, regulatory services and libraries. I think that one of the main thrusts of the working party will be to try to create the organisational change but also the individual understanding, particularly for women in the 40-plus age bracket, that their careers are not in decline, they are not over, in fact, and there is no reason that their careers cannot take off in a whole new field should they want to do that. I could take you through each of the strategies and priority actions that we have developed, but I am happy to take questions if that is your preference at this point.

CHAIR—I would not mind asking a few questions. The strategies seem quite clearly written there, but, just by way of background, how many local councils do you have in South Australia?

Mr Wallace—There are 68 councils in South Australia.

CHAIR—What is their division across metropolitan and regional?

Mr Wallace—There are 19 metropolitan councils and the remaining are regional.

CHAIR—Can you tell me is a reasonably consistent industrial instrument used across local government in South Australia; are they mostly on the award and collective agreements or does it vary?

Mr Wallace—It is a little multifaceted at the moment. That is probably the easiest way to explain it. There is a federal municipal officers award, which has now been mirrored in the state jurisdiction, and there is a state Local Government Employees Award for the outdoor workforce. Traditionally, local government has operated under certified agreements, pre Work Choices reform agreements. The change of industrial laws to utilise the corporations powers for the Workplace Relations Act has meant that each council now has to question whether it is a

constitutional corporation in the federal system or whether it is in the state system. So we do have a mixed bag. A number of councils are in the state enterprise bargaining system; other councils have utilised the recent amendments to allow for variation of a pre-reform certified agreement; and some councils are on collective agreements under the current federal acts.

CHAIR—Firstly, can I say I am assuming you have done this work because you have identified a pay equity gap or some issues of concern between men's and women's employment in local government in South Australia?

Mr Wallace—Specifically what we have done is undertaken workforce planning and gathered some data, not only based on gender but on age and a range of other issues. I have simply taken the gender type issues out of that research.

CHAIR—So, to that extent, you cannot tell whether the situation is worse or better for women, depending on whether it is metropolitan or regional or depending on whether they are under simply the state award, the federal award, a collective agreement or some other arrangement?

Mr Wallace—No, we can tell that. Predominantly, the same classification structure applies whether they are on an award or enterprise agreement. Most of our enterprise agreements have continued on with the same classification type structure. That is the first point to be made. The second point to be made is that we know out of the 68 councils we have two women CEOs, which I think compared with private enterprise sits okay but compared with other tiers of government does not. We know that there is a higher percentage of senior officers in the metropolitan ranks than there is in the regional councils. We also know that in terms of actual pay classifications the opportunities for women to obtain what we classify as senior officer pay rates are far greater in the metropolitan area than they are in the regional area.

CHAIR—I am still unclear how your JDF and job evaluation systems work. I think what you are saying to me is that you decide you need a particular job or position and that is described in terms of the duties, tasks and the skill level at which you expect them to be performed. Then I presume some decision is made whether the job is level 2, level 6 or a level 5 job—is that correct?

Mr Wallace—Yes. The underpinning award has a descriptor for each classification: initiative, judgement, problem-solving requirements, level of authority, supervisory responsibilities. There are a range of factors that we need to assess across all of the levels. The award and the enterprise agreements have built into them the ability for an employee always to seek an independent review, which would generally be done by myself as the HR manager for the Local Government Association, but it is also subject to review of an independent panel should someone wish to seek that review. The way the position descriptions are written up requires a level of language so that there is some understanding between the employer and the employee of the extent of authority, the extent of initiative and judgement, is there a project management requirement and what level of community engagement has to occur with the position. So there really are a variety of indicative levels of complexity with the role that have to be assessed. Essentially, the view is that if more than 30 per cent of those indicatives are at a high level, then you would move that classification to the higher level.

So there really are a variety of indicative levels of complexity with the role that have to be assessed. Essentially the view is that, if more than 30 per cent of those indicatives are at a high level, then you would move that classification to the higher level.

CHAIR—Are you reasonably confident that there is no discrimination in that valuing of positions so that, for example, you value less highly the director or a manager in community services or human services, whatever you call it—I think it is the one that has the female predominance in it—than a director or manager in engineering and infrastructure?

Mr Wallace—Definitely no bias in the assessment of the classification. It does not mean there will not be bias necessarily in the final remuneration, because often at the senior level the level of remuneration goes beyond the scope of what the agreement provides for and, therefore, a bit of a common-law top-up arrangement is negotiated. The Local Government Association of South Australia does not get involved in that point of negotiation. We merely assess what classification based on the agreement the employee should be classified as.

CHAIR—So, to that extent, you do not have access to any evidence about how women might be faring under that individual kind of common-law contract arrangement versus men?

Mr Wallace—No.

CHAIR—The last question for me, and I think the answer is no, is this: are your councils that employ more than 100 people required to participate in the equity audit that the Equal Opportunity for Women in the Workplace Agency, EOWA, requires private sector employers with more than a hundred employees to do?

Mr Wallace—I have to apologise. I am not sure—

CHAIR—No, I suspect not.

Mr Wallace—but I would think not. I certainly have not heard that there is any requirement.

CHAIR—You did say something about the fact that some of this information had to be collected because it was required by the South Australian Local Government Grants Commission.

Mr Wallace—The grants commission very kindly has allowed us as an organisation to start gathering employee relation type data through the grants commission, which requires 100 per cent compliance. So it is actually an easier way for us to do our workforce planning requirements. The grants commission has sought a number of these workforce planning type questions through the grants commission each year.

CHAIR—And just my last one before I share things around. Can you tell me whether any work has been done in local government in South Australia on the reasons for women choosing part-time work? Can you establish whether or not it is associated with things like paid parental or maternity leave, which I assume you have under many of your agreements and awards?

Mr Wallace—Yes, roughly a third of our councils have paid parental leave provisions, and certainly in each enterprise bargaining negotiation that I sit on at the moment the topic is there for some discussion. The Local Government Association of South Australia itself has just agreed to an internal policy to have some paid parental leave. So we are also moving towards that trend. The underpinning award, the municipal officers award, actually makes provision to allow an employee who takes parental leave the option of requesting part-time employment until the child reaches the age of five. A number of employees have certainly made use of that provision. An employer cannot unreasonably deny that request. If there are genuine operational reasons why that request could not be met, then that issue will then be debated, but unless there are genuine reasons the expectation is that the council will provide part-time employment.

CHAIR—And that person can ask to go back to full time during that four- or five-year period?

Mr Wallace—Correct.

Ms BIRD—Can I just explore that a bit further? One of the other pieces of evidence we have had is that men are very reluctant to take up either leave or options such as returning part time after leave. Have you gathered figures on who is making use of those provisions?

Mr Wallace—No, we have not, unfortunately. I think it is a good point, and I think we should have a look at that. I can say anecdotally, based on the two years that I have been with local government, that when these issues have arisen they have only been dealing with women. I have not had those sorts of requests from men. I am uncertain whether or not men are making use of that provision.

Ms BIRD—The other thing we are hearing a lot about is workforce segregation—that for whatever reason women are going into the caring, human side of work and men are going into the technical side. Again, your industry internally reflects that as well. I was interested in the training you were talking about. If a woman working in human services thought, ‘Actually, I wouldn’t mind getting into the inspectorate side of the department,’ it appears to me that some of that training would allow that sort of movement. Is there much crossing over into non-traditional areas happening with training access?

Mr Wallace—It is part of the cultural change that we are trying to make within local government. Regional councils particularly have been hit very hard with the mining sector taking a number of their heavy vehicle drivers away from the workforce, and we have been driving a message and trying extensively to promote the angle that they might want to train up women in the area for those types of roles. So far I do not think that the take-up has been particularly good from the councils more so than from potential applicants, though I have to say also, I guess, that the percentage of female applicants for these types of roles is quite low as well. So there really is a cultural shift that needs to occur. We will be relying quite heavily on the new productivity placements that are being made available. We are working with TAFE to try to establish the diploma in civil engineering specifically for current employees of local government who want to transition their career in that way. Civil engineering is probably the most acute problem that we have at the moment, and we will be focusing both on the issue of the over-40s and also on gender, on women.

Ms BIRD—I used an example yesterday from a council in my own local area that the over-award issue can be quite problematic. Before anybody panics I will identify that it was not Wollongong council but a council in the area. There was a huge controversy about the fact that, for example, cars were allocated to managers in the engineering section and not to library and human resources managers. Then the argument was, ‘Well, that’s because the environmental section is out and about and the library isn’t,’ when in fact their job description showed that was not true at all. So I am just wondering if the association, rather than monitoring particular individual agreements, has had a look at the general issue of the spread of those sorts of above-award entitlements or entitlements individually negotiated at a more senior level.

Mr Wallace—I think it is fair to say that we have not at this point in time. However, the comment I would make on that is that there is a level of supply and demand in the labour market at the moment, and it is much more difficult to secure somebody in engineering and infrastructure than it is to secure a manager for a library and some other community service area. While the effect may be that there is some gender bias in terms of remuneration, it is certainly my belief that it is role specific and skill set specific rather than a gender issue as such. However, we would have to undertake some more research to—

Ms BIRD—I accept your argument of the current circumstances. I spent four years as a councillor. I had to get the general manager—a lovely gentleman—to stop referring to his ‘girls’. I pointed out he did not refer to the engineering guys as his ‘boys’.

Mr HAASE—God! Picky, picky, picky.

Ms BIRD—I have been to local government conferences, and it is an area where you have got some very entrenched sexist attitudes.

Mr Wallace—Oh, definitely.

Ms BIRD—So the cultural stuff you are talking about, I think, is particularly significant. It took me a while to make this gentleman understand, because his intention was not dishonourable, that the message was that the women were in a subservient role and it was reflected in the fact of who applied for promotions and all those sorts of other progression issues that can happen in an organisation. From which sector background do the two women who are CEOs in South Australia come from?

Mr Wallace—Helen Dyer is a planner. Helen worked both for the state government and then for the City of Norwood, St Peters and Payneham, followed by West Torrens as a senior planner and two years ago became the chief executive officer of Walkerville council, which is the smallest metropolitan council that we have. Just recently she was appointed the CEO of Mitcham, which is a council of quite substantial size, and she will commence those duties in a couple of weeks. Carmel Noon, who is the CEO of Kangaroo Island Council, has a background as an executive officer within the private sector. She was the general manager of the Adelaide University Union and has come fresh from outside local government to the CEO position.

Ms BIRD—Do you know which discipline area her background was in?

Mr Wallace—I have to say I do not.

Ms BIRD—I am just wondering whether it is women who have gone into the non-traditional discipline areas gradually working their way through. Planning is one of the interesting ones. Where does planning sit in your breakdown? Is it in engineering and infrastructure?

Mr Wallace—No.

Ms BIRD—Or in environmental?

Mr Wallace—It would be in environmental, which is roughly a fifty-fifty split.

Ms BIRD—Yes. I suspect it is probably the sector where you are seeing the most progressive change in local government—and again do not take it on Wollongong planners—in creativity on the job.

Mr HAASE—Fixated.

Ms BIRD—But you have more of a balance there, so one would hope that you would see some of that progress its way through to the higher levels as well.

Mr Wallace—Yes. We are fortunate that in local government we have identified a number of women just one step down who we believe will make outstanding chief executive officers over the next couple of years. They have been identified through a number of pieces of research, and we are running a number of programs to ensure that they are most definitely ready.

Ms BIRD—That is excellent. Thanks, chair.

Mr HAASE—In that vein, are those women anxious to assume those more senior roles?

Mr Wallace—Yes.

Mr HAASE—What is necessary? Somebody to die?

Mr Wallace—No. I have been involved with local government in South Australia for two years, and out of the 68 councils I would say about 18 of those chief executive officers have turned over in that time. So there is quite a rapid turnover of chief executive officers at the moment. A vacancy currently exists at Tea Tree Gully, and I would imagine that a number of those women to whom I have referred will be applicants for that role.

Mr HAASE—In almost all areas of local government across Australia today there is a labour shortage. I recognise that it is certainly in your interest in your role in South Australia to see that situation turned round, and, of course, getting females into those senior roles is one of the easing processes. Do you think that government would best serve you pursuing the great deal of time spent and general tenacity to put in a report that will assist you in your process or do you think government should get out of the way?

Mr Wallace—We are always grateful for government support—

Mr HAASE—Oh, you are smooth.

Mr Wallace—to assist us with these issues and, no, we are always happy to have some government support there. However, we simply cannot just rely on that. We do need to keep moving ourselves.

Mr HAASE—Which is evidenced by the work you have done. So you feel that that work may complement in some way that which a government committee may produce?

Mr Wallace—I think that the cultural changes that we have to make and the barriers that we have to overcome are not just internally within the Local Government Association of South Australia; we need community attitudes to change, and that is often led by government. So, again, the target area that I keep seeing that we are underutilising is the over-40 bracket for women in local government. So, with the combination of those two factors, there is a huge opportunity there to address a lot of the issues that we are facing.

Mr HAASE—Is your gut feeling—I am not sure if we can consider gut feelings, but just given that we do—that there is a body of over-40 females wanting to fill more senior and more responsible roles, of being part of the workforce part time or full time?

Mr Wallace—I think there are a number of women in the over-40 bracket who are disengaged from the workforce at the moment who are probably feeling that they are in their role for the remainder of their working lives. When I talk about cultural change I am not just talking about organisational cultural change but that we need to be able to inspire those particular people: ‘Your working life is not over. You actually have another 20 to 25 years to contribute. Why don’t you have a think about where you would like to practise a craft and where you would like to develop.’ It is really having those people engaged back into the workforce and wanting to recommence study at an age when perhaps traditionally people would have started to slow down. That is the challenge, I think.

Mr HAASE—Amongst your current female workforce you have already expressed to our chair the fact that there is flexibility within the guidelines for local government staff to convert from part time to full time and from full time to part time at the whim of the employee. Have you identified a trend of full-timers moving to part time or part-timers moving to full time?

Mr Wallace—Firstly, I just need to correct that. It is not the quite at the whim of the employee. The employee has a right to request and the employer cannot unreasonably deny the request, but there is some mechanism there for the employer if they are unable to assist that.

Mr HAASE—I will ask another question about that.

Mr Wallace—Sure. The uptake of moving from full time to part time and part time to full time only ever hits my desk when an industrial disputation has arisen, so I cannot give you specific statistics. But what I can say is that there is a reasonable uptake and a reasonable acceptance both from the employee and the employer about those provisions and an understanding of how they work. While there may have been some difficulty initially when those provisions first came in, those barriers have been predominantly overcome with the exception of the smaller regional councils which, obviously with a small workforce of fewer than 30 people—

Mr HAASE—They are less flexible.

Mr Wallace—having a person go part time rather than full time is quite a difficulty because the ability to job share labour, for instance, is not there.

Mr HAASE—Can I take you to the graph ‘Employment type by gender’. The question is: the bars that show male and female, I take it they are numbers of employees and not hours worked?

Mr Wallace—That is correct. They are numbers of employees. That is how the data originated.

Mr HAASE—Finally, can you identify specific areas where part-time hours or job sharing is not offered?

Mr Wallace—I cannot recall any examples in the senior management ranks where we have job sharing arrangements; although I can recall a situation where a part-time employment arrangement was facilitated. I am referring to a finance manager who was unable to resume his full-time finance manager position and undertook a senior auditing position part time, so in that case the actual position was changed although the remuneration, the base hourly rate, remained the same. That is the only area in the senior management ranks at the moment that I can consider where that would be the scenario. Job sharing flexibilities, part-time employment in all the other fields would be okay. The only other exception to that would be the outdoor workforce, road construction, for instance. It would be very difficult for the employer to facilitate part-time employment in road construction with the way the gangs work and the locations that they have to travel to. To have somebody depart halfway through that task would be difficult because it is very much project based.

Mr HAASE—It is beneficial for us as evidence because there has been a deal of debate with our committee about, hypothetically at least, there being no particular task that could not be done on a part-time basis. I hold a different point of view, and I am pleased to hear that local government holds a similar point of view: that there are positions that would be unlikely to be split.

Mr Wallace—It would certainly be very difficult to manage.

Ms BIRD—Although we have the third largest council in New South Wales ruled by three administrators sharing the role.

Mr HAASE—Yes.

Ms BIRD—So it is not that it is not possible to do it; it is that it is not the preference to do it.

Mr HAASE—I imagine that your experience in local government would indicate that the larger the local government body the more readily part-time or shared positions could be accommodated?

Mr Wallace—Definitely.

Ms BIRD—It is not the job itself; it is the geography.

Mr HAASE—It is the geography. It is the nature of separate councils.

Ms BIRD—If you send a road gang hundreds of kilometres away, they cannot be working two days and coming home.

Mr HAASE—But I believe that the variations to be found in the size of local government bodies replicates the variation of business size to be found across the spectrum of employers, and it is very dangerous to make generalisations about what might or might not be the preferred outcome, because what might suit a company of 200 employees does not suit one of five employees. So we need to be very careful.

The reason I asked you about the trends and movement from full time to part time versus part time to full time is that a number of witnesses have provide evidence to the committee, including case studies. Those case studies strike me as always being the extreme case where things go wrong or things have not been reasonably attended to by employers. I would very much appreciate some indication of the normal day-to-day smoothly occurring transition from full time to part time and back again. If you got such a question on notice, would it be one on which you could gather data to support an answer to?

Mr Wallace—Yes, I would be able to get it, I think.

Mr HAASE—I think we would appreciate it.

Ms BIRD—When the requirement to be able to ask for part time was introduced, were you saying that there was quite a negative reaction and a view that that would be very difficult but, in reality, over time it has not been so problematic?

Mr Wallace—That is right. Initially there was some resistance as to how councils would be able to manage such a provision, but, in reality, it has not proved to be as difficult. I do have maybe one or two disputes on that particular issue each year, but they are all resolvable.

Ms BIRD—By and large smoothly, as Mr Haase says.

Mr Wallace—That is correct.

Mr HAASE—I think we would appreciate something like that, not simply to refute—

Ms BIRD—I agree.

Mr HAASE—present attitudes but to understand that there is a broad reaction. Whereas I am hearing, maybe because my antenna are sharper, that there are so many women working part time who want full time, I would love to know how many women choose to go from full time to part time when given the opportunity.

Mr Wallace—Yes. My comment on that would be that with the current skill shortage in local government in South Australia, I think that if any part-time employee wanted to go full time most employers would be able to facilitate that and would encourage it.

CHAIR—Putting to one side the skill shortage, though, equally a worker close to retirement in their early 60s who does not really want to keep working full time but, in a period of skill shortage, might well find the idea of a part-time job and a slower transition from full-time work to retirement quite attractive. Is that something looked at or considered by local government?

Mr Wallace—Yes, we undertook a significant research project last year, and the results have recently come out. We have developed a transition to retirement package for councils to use for that very purpose, where people are happy to remain in the workforce but simply do not want to work full time. There is a transitional agreement in place that protects the employee and the employer. So we have those provisions. That research has shown that there is a significant benefit to the employer if they can retain people of retirement age on a part-time basis in a mentoring capacity.

Ms BIRD—The interesting thing will be with the impacts of the global financial crisis on superannuation whether people want to come back from retirement into part-time work as well.

CHAIR—But that is when they potentially hit that barrier of what I think you were saying was a kind of age discrimination, either one imposed by themselves, their own perceptions about what you should be doing in your 40s, 50s, 60s, which still seems very young to me, I have to say, or by attitudes. It is interesting that somebody would see their opportunity to progress in their career as being limited at age only 40 or, indeed, only 50. I know you are saying there is a gender difference there between men and women. Perhaps the men's concern about their career progression kicks in more when they are 60. I do not know.

Mr Wallace—An interesting little example occurred about a month ago when a regional council contacted me and say that it wanted to engage a finance manager who was under 40, who had a tertiary qualification and who would commit to the local area for five years. I explained to the person who was asking me to find this person that, firstly, it was going to be very difficult to find a suitably qualified person who would be prepared to move into the area at the sort of salary arrangements that were on offer and, secondly, looking for someone specifically under the age of 40 was not a good move. The regional area we are talking about would be, I would think, far more attractive to somebody moving into the latter stages of life, and asking also for a commitment to necessarily stick to an area for five years when much more the trend in the workforce is to change jobs every two or three years, really was—

Ms BIRD—Particularly under 40!

Mr Wallace—Yes, making a difficult recruitment project almost impossible. So there are still some views out there about the ideal candidate.

Mr HAASE—It might have been a direct request from council—I have seen it happen—knowing full well that head office is going to say, 'Are you mad?' Then they say, 'That is what I told council, but they got me to do it anyhow.'

CHAIR—How far progressed you are with the implementation of the strategy that you have talked about for your senior officers? Is the women in local government group at the very beginning of just identifying what the strategy is or have you started to implement some of the key strategies?

Mr Wallace—We are at the very beginning. The working party was formed this year, and the strategies are in the process now of being adopted and having resources allocated to each strategy. That does not mean that we are not continuously working on a number of these issues. The Local Government Association of South Australia has quite a substantial research and development grant that is offered each year and a number of projects are being worked through. A recent project that was launched by the Minister for State/Local Government Relations here in South Australia is called *Step this way*. It is a document specifically designed to assist all women in the local government workforce to progress their careers.

CHAIR—That is produced by the state government, is it?

Mr Wallace—No, the Local Government Association research and development fund funded it. The project was managed by the local government managers association. However, we did ask the Minister for State/Local Government Relations here in South Australia to launch the document.

CHAIR—Would that be publicly available on your website?

Mr Wallace—It is certainly available on our website, yes, under ‘Employee relations—women in local government’. We actually have a specific section.

CHAIR—The joys of modern technology.

Mr Wallace—Yes.

CHAIR—As there are no other questions, I would like to thank you very much, Rob, for your attendance today and for taking us through your information, which will be very useful to us. I think we did ask if it were possible for you to look at additional information. I would be very grateful if you could keep the secretariat advised of when you are able to forward it to the committee. On behalf of the committee, I thank you very much for your attendance. It was extremely useful and I am very grateful. It is lovely to see a proactive organisation addressing the issues. So thank you.

Mr Wallace—Thank you.

Resolved (on motion by **Ms Bird**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 2.53 pm