



Gender segregation in the workplace and its impact on women's economic equality Submission from economic Security4Women (eS4W)

I. Preamble

On 9 November 2016, the Senate referred an Inquiry into gender segregation in the workplace and its impact on women's economic equality to the Finance and Public Administration References Committee (the **Committee**), with particular reference to:

- a. the nature and extent of industrial and occupational gender segregation in Australian workplaces relative to comparable jurisdictions, including gender segregation in tertiary education courses;
- b. factors driving industrial and occupational gender segregation in the Australian context;
- c. economic consequences of gender segregation for women, including the contribution of industrial and occupational gender segregation to the gender pay gap;
- d. approaches to addressing gender segregation as it relates to economic inequality and the gender pay gap in comparable jurisdictions; and
- e. remedies appropriate for Australia, including but not limited to:
 - i. measures to encourage women's participation in male-dominated occupations and industries,
 - ii. measures to professionalise and improve conditions in female-dominated occupations and industries, and
 - iii. measures to promote pay equity.

II. Who is economic Security4Women

economic Security4Women (**eS4W**) is a national women's alliance, funded by the Australian Government through the Office for Women in the Commonwealth Department of Prime Minister and Cabinet.

It is an alliance of women's organisations united in the belief that economic wellbeing and financial security are essential for women and will enable women of all ages to have an equal place in society.

Its members include Professionals Australia (formerly APESMA), Business and Professional Women (BPW) Australia, TradeUP Australia and the Australian Federation of Graduate Women (AFGW).

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III. Our recommendations

eS4W suggests the following remedies appropriate for Australia, particularly to encourage women and girls to participate in male-dominated industries and occupations:

1. That Federal Government¹ commission the development of a model for best practice careers guidance for secondary school girls, and that this model build on elements of successful programs from Australia and around the world.
2. That highly visible female role models and mentors from STEM (science, technology, engineering and mathematics) and other non-traditional occupations and industries, who are crucial to broadening the career aspirations and expectations of young women, be included in the development of this model.
3. That promotion of support networks for women in STEM and non-traditional workplaces be recognised as integral to future strategies.
4. That there be facilitation and development of widespread partnerships between schools, educational institutions, industries and communities to assist girls and young women to access non-traditional and STEM study and work placement opportunities, to advance career aspirations, choices and outcomes for Australian women.
5. That scholarships be available for women seeking the qualifications and confidence to take up senior leadership roles and board positions; eg Company Directors courses, whose high tuition fees may be a barrier for participation, particularly for women employed in the SME sector.

IV. Gender Pay Gap – does occupational and industry gender segregation contribute to the gender pay gap?

The gender pay gap has been a permanent feature of the Australian workforce, and the workforce of every country in the world. Reasons for its existence are complex; it may not be a result of direct discrimination, but may in part be explained by differences in the way men and women work, the industries they work in and the level of skills and experiences individuals may have².

There is consensus that the closing of the gender pay gap is desirable beyond just the basic notion of fairness, so we will not revisit these arguments in detail in this submission. Suffice to say, the economic consequences extend beyond an individual woman's economic security; at a macro level it is estimated that if women were to participate in today's economy identically to men, it would add \$28 trillion, or 26% to the global GDP by 2025³.

eS4W commends the Workplace Gender Equality Agency (**WGEA**) and BankWest Curtin Economic Centre (**BCEC**) for their continuing work to better understand the gender pay gap. Accessing an Australian dataset of four million employees and over 12,000 employers, the 2016 Gender Pay Equity Insights report disclosed some "startling findings"⁴, including the following:

- Men receive greater remuneration compared to women in **almost every scenario**, but particularly in more senior occupation levels;
- Female managers are more likely to be remunerated closer to their male peers if the managerial environment is heavily male-dominated, and conversely male managers working in female-dominated organisations can expect to earn considerably more than their female colleagues;

¹ eS4W recognises that the implementation and delivery of careers' exploration programs in Australian schools is a responsibility of State Governments. Nonetheless, we believe it is in the national interest for a state-of-the-art careers' exploration model to be developed, for adoption by the States.

² https://www.wgea.gov.au/sites/default/files/BCEC_WGEA_Gender_Pay_Equity_Insights_2016_Report.pdf

³ <https://www.mckinsey.com/global-themes/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>

⁴ https://www.wgea.gov.au/sites/default/files/BCEC_WGEA_Gender_Pay_Equity_Insights_2016_Report.pdf

- The Financial and Services industry records the highest full-time gender pay gap of 35% when bonuses and discretionary income is included;
- The smallest gender pay gap of between 7 to 10% is found in the Public Administration and Safety, Wholesale, Trade, Education and Training industries. This may be because most of these industries are strongly tied to public/government funding; and
- Increased representation of women on Boards is associated with significant reductions in gender pay gaps for those organisations.

WGEA's director Libby Lyons claims that Australia "has some of the worst industrial and occupational gender segregation of any [OECD] country... Sixty per cent of Australians don't know what it's like to work in a gender-balanced industry"⁵.

It is difficult to quantify what proportion of Australia's 2016 gender pay gap of 16.2% is **directly** attributable to Australia's high level of occupational and industry gender segregation. eS4W supports WGEA's continuing efforts to focus on the causal link between the factors, and their calls to challenge gender stereotyping.

This submission does not suggest remedies for improving conditions in female-dominated occupations and industries, however eS4W supports the following views stated by WGEA's director Libby Lyons⁶:

- Gender equality targets should be introduced in female-dominated industries such as primary school teaching, nursing and healthcare. Many male-dominated industries have started to tackle this issue, but there is nothing coming out of the female-dominated industries in respect to tackling the gender stereotypes that Australians arguably have grown up with; and
- In male-dominated fields experiencing bad job losses, men should be encouraged (and assisted) to retrain and enter female-dominated fields (eg the fast-growing healthcare industry). WGEA data shows that when more men are attracted into an industry, average pay tends to increase, and that even in some female-dominated industries the managers are men (women tend to dominate the lower paying, lower skilled roles).

V. Approaches to encourage females into 'traditionally male' industries and occupations – overcoming unconscious gender bias and providing career guidance that embraces STEM

Encouraging girls and women to enter STEM fields has been discussed at length in Australia for several years now. eS4W acknowledges the importance that possessing STEM skills will have in the future of work, and that if current industry gender gap trends persist, women risk losing out on some of tomorrow's best job opportunities⁷.

eS4W has undertaken significant work in this area, particularly to try and understand why young women are significantly less likely than young men to enter employment in the high income, in-demand STEM fields. Under-representation of women in STEM fields not only undermines gender equality and the economic future of individual women, it also risks impacting negatively on Australia's economy.

⁵ <http://www.afr.com/leadership/wgea-boss-vows-to-tackle-australias-highly-gender-segregated-workforce-20161212-gt958a#ixzz4XmWrBbDv> accessed 5 Feb 2017

⁶ *ibid*

⁷ World Economic Forum (2016) Future of Jobs report

The World Economic Forum report on the future of jobs concluded that the major barrier to gender parity in the workforce is unconscious gender bias⁸. Whilst accepting that this bias is difficult to overcome, eS4W applauds WGEA's director Libby Lyons' recent statement that families, schools and career counsellors all need to be part of the solution to help overcome this⁹.

eS4W produced a paper¹⁰ in 2014 that focused on career guidance and advice provided in secondary schools. At that time, we noted that Australian research into career advice had not explored the issue of gender; this seems an oversight that Government can remedy.

Stakeholders surveyed for our 2014 report stressed that to broaden the career choices of young women, it was important that STEM subjects were made relevant to girls from an early age. As well, they pointed out that many schools and careers guidance practitioners need guidance in linking STEM subjects to the diversity of related occupations available, including emergent occupations.

eS4W encourages Committee to read our full report, available at our website¹¹: The recommendations arising from the work are included in Section 0 above. This report also informed much of the work that eS4W has done at grassroots level with members and the community since 2014, including some of the examples listed below. These examples are of work done by passionate individuals and groups to encourage women and girls to take up careers in STEM and non-traditional industries and occupations. Our recommendation to Committee is that these types of activity be 'rolled out' in a systemic manner to the widest possible range of beneficiaries.

Girls Can Do Anything website – resources for plotting non-traditional career pathways

Aimed at female high school students, this ES4W website¹² contains information on role models, career pathways to non-traditional occupations, pay rates in male-dominated industries, and an explanation of gender-segregated workforces and the impact that this has on the gender pay gap.

eS4W hosts this website as a contribution to the commitment secured under Australia's presidency of the G20: for G20 leaders to reduce the gender gap in participation rates by 25% by 2025. Specific to the Australian context, this will see up to 200,000 additional women participating in the Australian labour force.

TradeUP Australia – role models in non-traditional occupations

eS4W member TradeUP Australia (**TradeUP**) is a not-for-profit organisation founded by electrician Sarah-Jayne Flatters. Sarah-Jayne was attracted to her profession by the opportunity for greater financial independence from a potentially higher income in a trade, and the increased ability to eventually work for herself. Sarah-Jayne faced some challenges during her electrical apprenticeship, for example, frequently there was no provision of a female toilet facility on site; and this led to her seeking guidance from ES4W to found TradeUP. TradeUP has a gender-balanced board, and has four prongs of activity:

1. **Empower** – TradeUP partners with a local Mens Shed to run 'try out tools' workshops, teaching basic hand and power tools skills to women in the community;
2. **Inspire** – TradeUP provides women in trades to speak at schools, career expos, government-funded initiatives and not-for-profit organisations;
3. **Inform** – TradeUP encourages debate about the under-representation of females in traditional male-dominated areas, sharing resources that encourage girls to consider a trade; and

⁸ ibid

⁹ <http://www.afr.com/leadership/wgea-boss-vows-to-tackle-australias-highly-gender-segregated-workforce-20161212-gt958a#ixzz4XmWrBbDv> accessed 5 Feb 2017

¹⁰ <https://www.security4women.org.au/wp-content/uploads/eS4W-Career-Exploration-Project-Report-20140615.pdf> accessed 5 Feb 2017

¹¹ ibid

¹² <https://www.security4women.org.au/rolemodels/pathways/> - accessed 5 Feb 2017

4. **Mentor** – TradeUP connects women, apprentices and female tradesmen through the volunteer program, meet-up events and online forums.

BPW Australia – Equal Pay Day event – Encouraging Girls into Non-traditional Occupations - Southern River College Industry Partnerships (“become what you can see”)

eS4W member BPW Australia encourages its clubs to mark Equal Pay Day¹³ with events that raise awareness of the key challenges to gender equity. In September 2014, BPW Joondalup brought together politicians, employers, educators, parents, students and the wider community to discuss “strategies to encourage girls into non-traditional occupations”.

One of the event’s panel speakers was Southern River College’s Principal Everal Pearse, a first-generation Australian woman raised in a houseful of brothers, whose Southern European parents weren’t familiar with the concept of girls pursuing tertiary education. Southern River College is situated in a Perth suburb where it is not uncommon for several generations of a family to never have been employed. Amongst other activities, the College is creating rewarding partnerships between community members, corporate partners and students, specifically to give its students an opportunity to “become what they can see”.

Although not targeted at female students specifically, the College matches students with adult mentors particularly from within the minerals and energy industries, a major employer in the locality. Ms Pearse’s passion for encouraging her students, and particularly the girls to break through unconscious gender bias barriers, is infectious.

Emphasising the relevance of STEM subjects in the real world from an early age

A key finding from the work that eS4W undertook in 2014 was the need to show girls the ‘real world relevance’ of STEM subjects from an early age. Recently announced as the winner of the 2016 Prime Minister’s Prize for Excellence in Teaching Science in Secondary Schools, former geoscientist and now earth sciences teacher Suzy Urbaniak is passionate about turning her classroom into “a room full of young scientists”¹⁴ who learn from hands-on experience.

Ms Urbaniak isn’t explicitly encouraging girls to enter STEM. However, like Southern River College, Ms Urbaniak believes that modelling behaviour can encourage girls to “want to be what they can see”¹⁵. Ms Urbaniak has created a Centre of Resources Excellence (CoRE) at Perth’s Kent Street SHS, and holds an annual “Women in Mining” expo that enables girls and boys to explore careers available in the resources industry by inviting female miners, engineers and scientists to campus to discuss their jobs. Ms Urbaniak wants to take her CoRE program out to ‘sister schools’ in WA regional areas; this is exactly the type of model that our recommendations to Committee envisage, on a larger scale.

Steel Heels – providing support networks in non-traditional industries

Steel Heels was founded by accountant Sharon Warburton, a panelbeater’s daughter from a tiny WA coastal town, who was the first member of her family to attend university. Sharon has built a membership organisation for women striving to reach leadership roles in traditionally male-dominated industries such as construction and mining. By sharing success stories, toolkits, seminars and networks, Steel Heels creates a pool of resources to assist women to overcome barriers to reaching management levels in non-traditional industries.

¹³ Equal Pay Day is calculated by WGEA and marks the additional time from the end of the previous financial year that women must work to earn the same as men.

¹⁴ <http://science.gov.au/community/PrimeMinistersPrizesforScience/Recipients/2016/Pages/Suzy-Urbaniak.aspx> - accessed 26 January 2017

¹⁵ Interview with Peter Bell, ABC Radio Perth, 28 January 2017

Encouraging women into leadership roles and onto boards – closing the gender pay gap by increased female representation at leadership level

BCEC's analysis of WGEA's data concluded that increased representation of women on Boards is associated with significant reductions in gender pay gaps for those organisations¹⁶.

Membership organisations exist to support the growth of a 'pipeline' of female leadership talent (eg Women on Boards, Behind Closed Doors) but eS4W note that membership subscriptions for these organisations can be prohibitively expensive, which may be a barrier to many women.

Further, in the absence of experience, gaining a place on a board generally requires applicants to have appropriate corporate governance qualifications. The Australian Institute of Company Directors (**AICD**) runs a highly-regarded Company Directors course which equips its graduates to sit on Boards. However, with tuition fees of \$9,399, the course may be beyond the reach of many women who do not have an employer willing to subsidise or sponsor them. Australia's SME sector is a significant employer, but many women working in the sector can find it difficult to attain funding for their leadership training.

eS4W is aware of scholarship foundations that provide for not-for-profit male and female employees to attend these courses; eS4W suggests to Committee that a scholarship fund for women outside of the NFP sector who wish to access company director and corporate governance qualifications would be beneficial to building a larger pool of female Board applicants in Australia.

¹⁶ https://www.wgea.gov.au/sites/default/files/BCEC_WGEA_Gender_Pay_Equity_Insights_2016_Report.pdf