

Victorian Trades Hall Council

Answer to written Question on Notice – Melbourne 21 April 2017

Senator MOORE: I have one question to put on notice. Have either of your organisations done an assessment of the proposed UK legislation that is referred to a number of times?

Victorian Trades Hall Council (VTHC) has not conducted a full assessment of the incumbent UK mandatory gender auditing legislation. That said, the measures are a step in the right direction, but need to go further if they are actually going to break down the structural barriers that lead to the gap in gender remuneration.

Our peak union counterpart in the UK, the Trade Union Congress, has assessed the legislation and believes it must go further if it is to make a tangible impact on the gender remuneration gap. They have called on the government to amend the legislation to:

1. “Decrease the threshold for reporting to organisations with 150 rather than 250 employees.
2. Introduce sanctions – including fines – for employers that fail to comply with the law.
3. Make employers publish a narrative and action plan alongside gender pay information.
4. Make companies also publish the gender breakdown of the part-time workforce; the gap in hourly pay between part-time and full-time employees (using both the mean and median); and the distribution of part-time employees. A substantial number of women work part-time and research shows that part-time work is strongly associated with low pay and poor progression.
5. Agency workers should also be covered by the regulations. Women are more likely than men to be on these type of work contracts and, those who are, tend to be paid less than employees.
6. Conduct a full review of the success of the legislation, shortly after the first reporting cycle. Annual reports could identify what proportion of companies have complied, naming those that have failed to publish information and assessing the quality of information that is being produced.”¹

Any pay reporting scheme introduced by the Australian Government should work to break down gender segregation by increasing transparency. VTHC would expect any scheme to require reporting on the following:

- a. Remuneration gaps at all levels within an organisation.
- b. The number of men and women managers at all levels.
- c. The number of men and women in full-time, part-time and casual positions.

Any scheme should also:

- d. Include accountability measures
- e. Be mandatory for all companies and organisations with 100 people or more
- f. Include all forms of precarious employment, including labour hire staff
- g. Require qualitative explanations for any data provided

¹ Trade Union Congress (2017), “Gender Pay Gap Regulations Are a Start – But We Need Action to Close Gap Too, Says TUC”, Press Release, accessed at <<https://www.tuc.org.uk/equality-issues/gender-equality/equal-pay/gender-pay-gap-regulations-are-start-%E2%80%93-we-need-action>>

These are critical elements to ensure any mandatory reporting scheme does not simply become a box-ticking exercise.

Senator McKENZIE: Could I get some more understanding that men leave the feminised workforce because the pay is not good enough, and women leave the male dominated workforce because, when they have children, they have family responsibilities. If you have done research in the area, could you provide a details around why the men are leaving? Not for the ones that obviously get promoted quickly but the ones that do stay, is there any evidence that they, similarly, find it culturally difficult to hang out in those tearooms?

The data VTHC collects on issues affecting women workers primarily comes through the WRAW Chats (which was documented in our original submission), which means it is from the perspective of women workers and not men. However, an analysis of ABS data shows there are two common experiences of men in female dominated industries; they are either elevated to management positions or they move to other industries. Specifically:

1. Women pre-dominate in the health care and social assistance industry (80.2%), the education and training industry (63.4%), and the retail trade industry (58.4%).²
2. While women make up the majority of managers in the health care and social assistance industry (70.2%), there are more male managers in the education and training (women account for just 49.7%), and retail trade (47.9%).³
3. Data from the Workplace Gender Equality Agency (WGEA) shows that in female dominated industries, men earn on average \$18,000 per annum more than women.⁴

This difference is likely due to the management gap, and is reflected in our WRAW chats:

"The sector is dominated by female employees generally speaking, though men are disproportionately represented in management roles."

- Mental Health Care Worker, Inner-Melbourne

Labour force mobility data indicates women are more likely to remain in female dominated industries, and men are more likely to move on. The gender breakdown by length of time spent in the health care and social assistance industry shows a noticeable difference between men and women. On average 9.3% of all male health care workers have worked in the industry for 1-2 years, while the number is 12.1% for female health workers. This gap in longevity continues to grow throughout their careers; 18.2% of the male health care workforce has been in the industry for 5-10 years, whereas for women workers this number is 21.1%. These trends are similar for education and training and retail trade, indicating women workers are less likely to leave female dominated industries than men.⁵

Evidence was given to the Queensland Industrial Relations Commission in the matter Queensland Services, Industrial Union of Employees AND Queensland Chamber of Commerce and Industry Limited, Industrial Organisation of Employers and Others (A/2008/5) regarding men's employment in the community sector. That evidence (from men who were currently employed, or who had been employed, in the industry) indicated that whilst they liked the work and had tertiary qualifications in the area they moved out of the industry or into management or administration roles in order to achieve higher remuneration and greater job security.

² Workplace Gender Equality Agency, (2016) *Australia's Gender Equality Scorecard: Key Findings from WGEA's 2015-16 Reporting Data*, accessed at < https://www.wgea.gov.au/sites/default/files/80653_2015-16-gender-equality-scorecard.pdf> p. 11

³ *Ibid*, p. 10

⁴ Workplace Gender Equality Agency, (2016) *Gender Segregation in Australia's Workforce*, accessed at <https://www.wgea.gov.au/sites/default/files/20160801_Industry_occupational_segregation_factsheet.pdf> p. 3

⁵ Australian Bureau of Statistics (2013) 6209.0 – *Labour Mobility, Australia, February 2013*

The undervaluation of work historically performed by women is a key issue in attracting and retaining skilled and experienced women and men.

In our experience a key driver for women leaving male dominated occupations or industries (WIMDOI) is the alienation they feel as “the other” and their exposure to sexism, misogyny and other forms of gendered violence.

A WRAW Chats participant explained:

"Being female in a male dominated industry I've got a lot [of comments], most of it I just shake off but there's been a few times where men have mentioned my parenting and call me a bad mum because my children are in daycare while I make a living ..."

- Manufacturing worker, inner-Melbourne

The evidence from VTHC's WRAW Chats demonstrates that 64% of respondents have experienced bullying, harassment or violence in the workplace; 60% reported feeling unsafe, uncomfortable or at risk in their workplace, and 19% cited feeling unsafe at work as a factor when deciding to leave. No worker deserves to feel unsafe at their place of work. This has a real impact on women's participation in work.

In male dominated industries, such as construction, the pay gap is 26%.⁶ It is clear that women don't feel they belong in these industries. Duration of employment by industry shows 20.5% of all women workers in construction have worked there over a year and under 2 years, but only 3% of these workers have been in this workforce for over ten years. Comparatively, 26.6% of all male construction workers have been there for over ten years,⁷ and construction has the lowest levels of females in management positions, at 10.9%.⁸

Women leave the workforce more readily than men due to family responsibilities. VTHC's WRAW Chats found that 32% of women cited caring for children, or other family responsibilities as the reason for leaving paid employment. VTHC's submission describes the structural barriers which make it difficult for women to stay in work, such as sub-standard paid parental leave provisions, and inaccessibly expensive childcare. It also explains why women disproportionately take-up casual or part-time work compared to men, and the impact this has on their financial stability. Lastly, it sets out that female dominated industries are more likely than male dominated industries to be low paid and casualised.

⁶ Workplace Gender Equality Agency, (2016) *Gender Equity Insights 2016: Inside Australia's Gender Pay Gap*, BCEC & WGEA Gender Equity Series, p. 31

⁷ Australian Bureau of Statistics (2013) *6209.0 – Labour Mobility, Australia, February 2013*

⁸ Workplace Gender Equality Agency, (2016) *Australia's Gender Equality Scorecard: Key Findings from WGEA's 2015-16 Reporting Data*, accessed at < https://www.wgea.gov.au/sites/default/files/80653_2015-16-gender-equality-scorecard.pdf > p. 10