



**Australian Government**

**Department of Employment**

**Senate Finance and Public Administration  
References Committee**

***Inquiry into gender segregation in the workplace  
and its impact on women's economic equality***

**Submission of the  
Department of Employment**

**10 February 2017**

## 1. Introduction

The Australian Government Department of Employment welcomes the opportunity to make a written submission to the inquiry of the Senate Finance and Public Administration References Committee into *Gender segregation in the workplace and its impact on women's economic equality*.

The Department of Employment is responsible for national policies and programs that help Australians to find and keep employment and to work in safe, fair and productive workplaces. In making this submission, the Department of Employment has considered the terms of reference and provides the Committee with:

- an overview of the current position in relation to gender segregation in Australian workplaces and internationally;
- consideration of the economic impacts of gender segregation in Australian workplaces; and
- an outline of measures in place to address gender segregation in Australian workplaces and promote pay equity.

The Australian Government acknowledges that gender segregation in Australian workplaces can lead to negative outcomes for both men and women. People of each gender can effectively feel “locked out” of pathways and opportunities due to structural factors that are pervasive throughout the lifecycle and which can also play out at the workplace level. The Department of Employment has a role to play in the areas of job access and ensuring workplaces do not entrench gender stereotypes through management practices or workplace laws.

## 2. Current position in Australia

### ***Participation and composition of Australia's labour force***

In December 2016, 11,966,800 people worked in more than 2 million workplaces around Australia.

- Males accounted for 53.6 per cent (6,413,400) of total employment.
- Females accounted for 46.4 per cent (5,553,400) of total employment.<sup>1</sup>

The labour force participation rate for women as at December 2016 was 59.1 per cent compared with 70.5 per cent for men.<sup>2</sup> The labour force participation rate is the proportion of the civilian population that is either employed or unemployed (not working but actively looking for work).

The composition of Australia's workforce has changed substantially over the past 40 years. Figure 1 shows that women's labour force participation rates have increased from just under 45 per cent to almost 60 per cent. This increase has been particularly prevalent among married females. By contrast, the proportion of the adult male population participating in the labour force has been falling from just under 80 per cent to about 70 per cent.

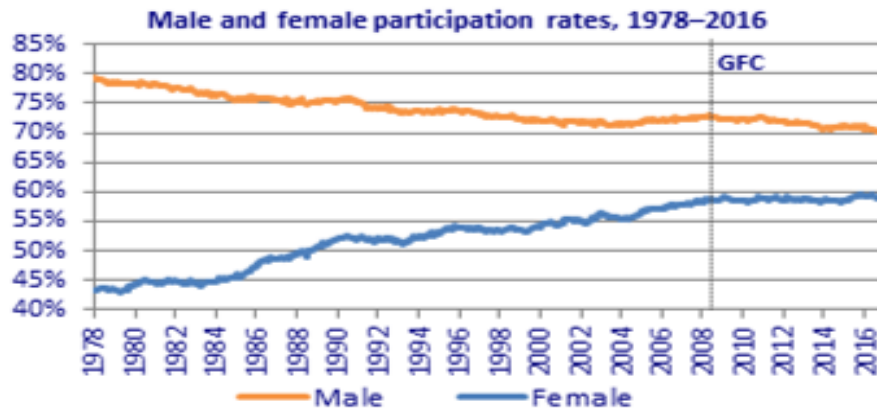
Australia experienced considerable growth in women's labour force participation in the decades prior to 2006. However, over recent years growth in labour force participation for women has tended to plateau in Australia.

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<sup>1</sup> ABS (December 2016) *Labour Force, Australia*, cat. no. 6202.0, trend data.

<sup>2</sup> ABS (November 2016) *Labour Force, Australia*, cat. no. 6202.0, persons aged 15 years and over, seasonally adjusted data. Note: Figure 1 shows labour force participation rates of persons 15 years and over. Figure 2 shows labour force participation rates of persons aged 25-54.

**Figure 1: Male and female labour force participation rates – 1978 to 2016**



ABS (December 2016) *Labour Force, Australia*, cat. no. 6202.0, persons aged 15 years and over, seasonally adjusted data.

### ***Labour force participation by parent status***

A number of factors have contributed to the increased rates of female labour force participation, including social and economic developments. In particular, the supply of part-time jobs, an increase in women's educational attainment and increased access to formal child care has facilitated women's entry into the labour force. Australia has moved away from the 'family wage' concept of the Harvester Minimum Wage judgement.<sup>3</sup> The fact we still have a persistent wage gap shows there is a way to go in terms of ensuring gender is not a factor in determining pay and conditions.

The participation rate of mothers aged 25 to 54 years of children aged under 15 years remains far below that of women in the same age group without children. In 2014, the participation rate of partnered mothers was 70 per cent compared with that of partnered women without children of 86 per cent. Similarly, the participation rate of single mothers was 63 per cent compared with that of single women without children of 81 per cent. The participation rate of all mothers was 69 per cent compared with that of all women without children of 84 per cent.<sup>4</sup>

This participation gap between women without children and mothers is larger than that between men and women. A large contributor to the gap between mothers and women without children is mothers with children below school age.

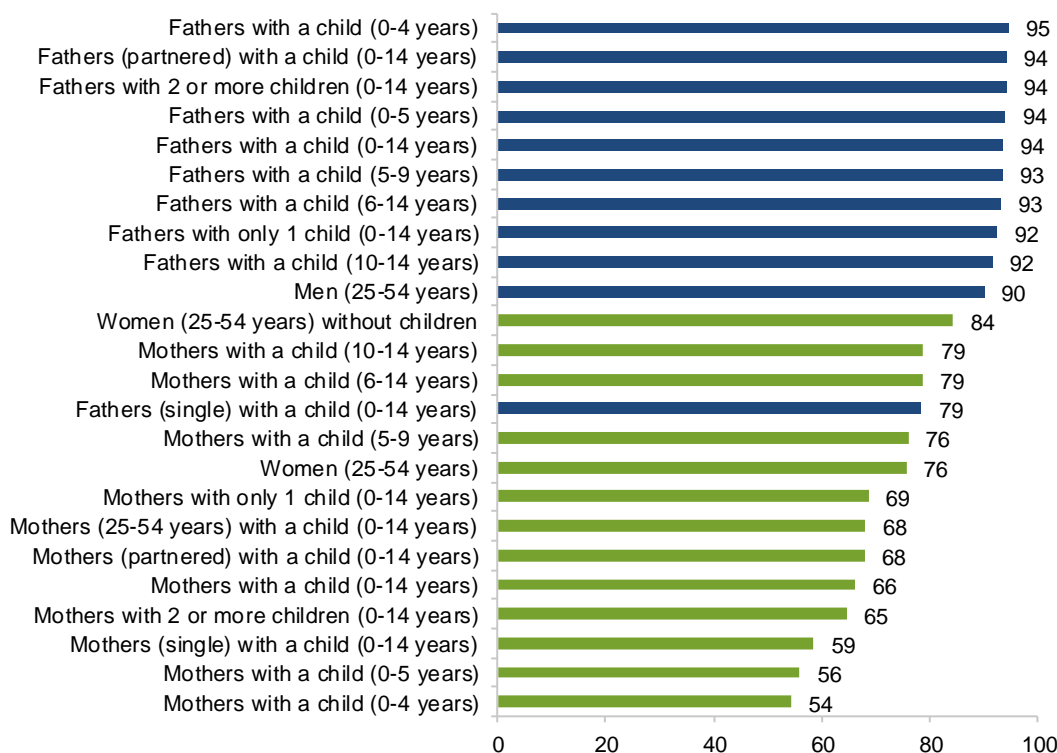
As Figure 2 shows, there are noticeable variations in the participation rates of these different groups:

- The participation rate of mothers of older children is substantially higher than that for mothers of younger children.
- The participation rate of mothers decreases with the number of children.
- Women without children are much closer to men's participation rates than any group of mothers.
- Parenting status makes virtually no difference to men's workforce participation. If anything, being a father means you are more likely to do paid work than if you are not a father, given fathers with children have higher participation rates than men in general. The opposite is true for women.

<sup>3</sup> The Harvester decision of the Commonwealth Court of Conciliation and Arbitration in 1907 set the basic wage on the needs of a male worker supporting a wife and three children: *Ex parte HV McKay* (1907) 2 CAR 1. Until World War II, the female basic wage was, generally speaking, approximately 54 per cent of the male basic wage: Fair Work Australia (February 2011), *Review of Equal Remuneration Principles*, Research Report 5/2011, p. 4.

<sup>4</sup> Productivity Commission Inquiry Report (2015) *Childcare and Early Learning*, Vol.1, Appendix C.

**Figure 2: Labour force participation rates of various groups a,b**



a Data are as at June 2012 apart from data for mothers and fathers with a child aged 0 to 5 years, and mothers and fathers with a child aged 6 to 14 years, which are for 2011-12. b Based on the age of the youngest child.

The labour force participation rate is the proportion of persons who are either employed or unemployed (not working but actively looking for work).

Productivity Commission Inquiry Report (2015) *Childcare and Early Learning*, Vol. 2, Appendix C; ABS (2014d).

### **From an industry perspective**

The majority of Australian employees work in an industry which is dominated by one gender.<sup>5</sup> This is referred to as industrial gender segregation. According to Workplace Gender Equality Agency (WGEA) data, only four in ten non-public sector employees work in an industry which is not dominated by one gender.<sup>6</sup> According to Australian Bureau of Statistics (ABS) data<sup>7</sup>, almost 30 per cent of Australian workers are employed by industries where more than three quarters of the industry are either men or women. This is a significant factor in producing unequal outcomes for men and women in terms of pay and conditions.

As at November 2016, women accounted for less than 30 per cent of total employees in the five traditional blue-collar industries: Agriculture, Forestry and Fishing (29.8 per cent), Construction (12.3 per cent), Electricity, Gas, Water and Waste Services (23.3 per cent), Mining (15.4 per cent) and Manufacturing (28.1 per cent). By contrast, women accounted for more than 70 per cent of all

<sup>5</sup> The Workplace Gender Equality Agency defines an industry dominated by one gender as one in which one gender makes up more than 60 per cent of all persons employed in the industry: WGEA (2016) *Gender Segregation in Australia's Workforce Fact Sheet*.

<sup>6</sup> WGEA (November 2016) *Australia's gender equality scorecard: key findings from the Workplace Gender Equality Agency's 2015-16 reporting data*. Note: WGEA data covers approximately 40 per cent of the workforce (employees of reporting non-public sector organisations with 100 or more employees).

<sup>7</sup> ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, Department of Employment trend. Note: unlike WGEA data, ABS data is representative of the whole labour force.

employees in the Education and Training industry (70.8 per cent) and the Health Care and Social Assistance industry (78.3 per cent).<sup>8</sup>

The industries with the highest number of women as a proportion of all employees also have the highest proportion of part-time employment as a share of all employment. Figure 3 sets out the share of female employment and part-time employment by industry. As at November 2016, the Health Care and Social Assistance industry (Australia's largest employing industry) had 44.7 per cent part-time employment, Education and Training had 39.4 per cent and Retail Trade industries had 49.3 per cent. Conversely, the industries with the lowest number of women as a proportion of all employees also have the lowest proportion of part-time employment as a share of all employment. As at November 2016, Mining had 4.2 per cent part-time employment, followed by 8.8 per cent in the Electricity, Gas, Water and Waste Services industry and 15.7 per cent in Construction.

**Figure 3: Employment by industry, 1996-2016**

Industry	Female employment share (%)		Change in Female Share, % points	Change in female employment ('000)	Female employment level, 2016 ('000)	Total employment level, 2016 ('000)	Part-time share (%) 2016
	1996	2016					
Agriculture, Forestry and Fishing	30.5	29.8	-0.7	-31.4	90.5	300.2	25.8
Mining	12.8	15.4	2.6	23.5	34.5	228.7	4.2
Manufacturing	26.2	28.1	1.9	-19.8	261.2	935.0	16.1
Electricity, Gas, Water and Waste Services	16.9	23.3	6.3	17.9	31.2	132.8	8.8
Construction	14.0	12.3	-1.7	49.3	130.5	1064.9	15.7
Wholesale Trade	31.5	32.0	0.4	-12.0	118.1	372.1	18.4
Retail Trade	54.4	54.7	0.3	169.3	674.1	1222.7	49.3
Accommodation and Food Services	55.5	53.7	-1.8	151.9	457.2	855.0	59.8
Transport, Postal and Warehousing	22.5	22.4	-0.1	41.2	137.7	611.3	22.4
Information Media and Telecommunications	39.4	38.0	-1.4	-3.0	78.1	209.5	21.4
Financial and Insurance Services	56.1	51.1	-5.0	38.1	216.9	421.8	18.3
Rental, Hiring and Real Estate Services	45.6	53.4	7.8	59.2	115.2	216.7	24.4
Professional, Scientific and Technical Services	44.5	40.4	-4.1	180.6	408.1	1017.9	22.3
Administrative and Support Services	51.9	50.9	-0.9	93.4	219.7	435.5	42.3
Public Administration and Safety	40.0	49.0	9.1	187.5	375.8	770.4	19.1
Education and Training	64.8	70.8	6.0	298.0	686.0	974.9	39.4
Health Care and Social Assistance	77.2	78.3	1.1	624.1	1208.9	1539.5	44.7
Arts and Recreation Services	48.9	48.9	0.0	47.4	106.3	216.4	44.7
Other Services	38.2	46.2	7.9	65.1	218.4	476.5	33.8
<b>All industries</b>	<b>43.1</b>	<b>46.4</b>	<b>3.3</b>	<b>1976.1</b>	<b>5556.1</b>	<b>11973.2</b>	<b>31.8</b>

ABS (2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, Department of Employment trend. Data for total employment level 2016 refer to ABS trend. Data for All industries refer to ABS seasonally adjusted. ABS (August 2014) *Characteristics of Employment, Australia*, cat. no. 6333.0: Customised Report.

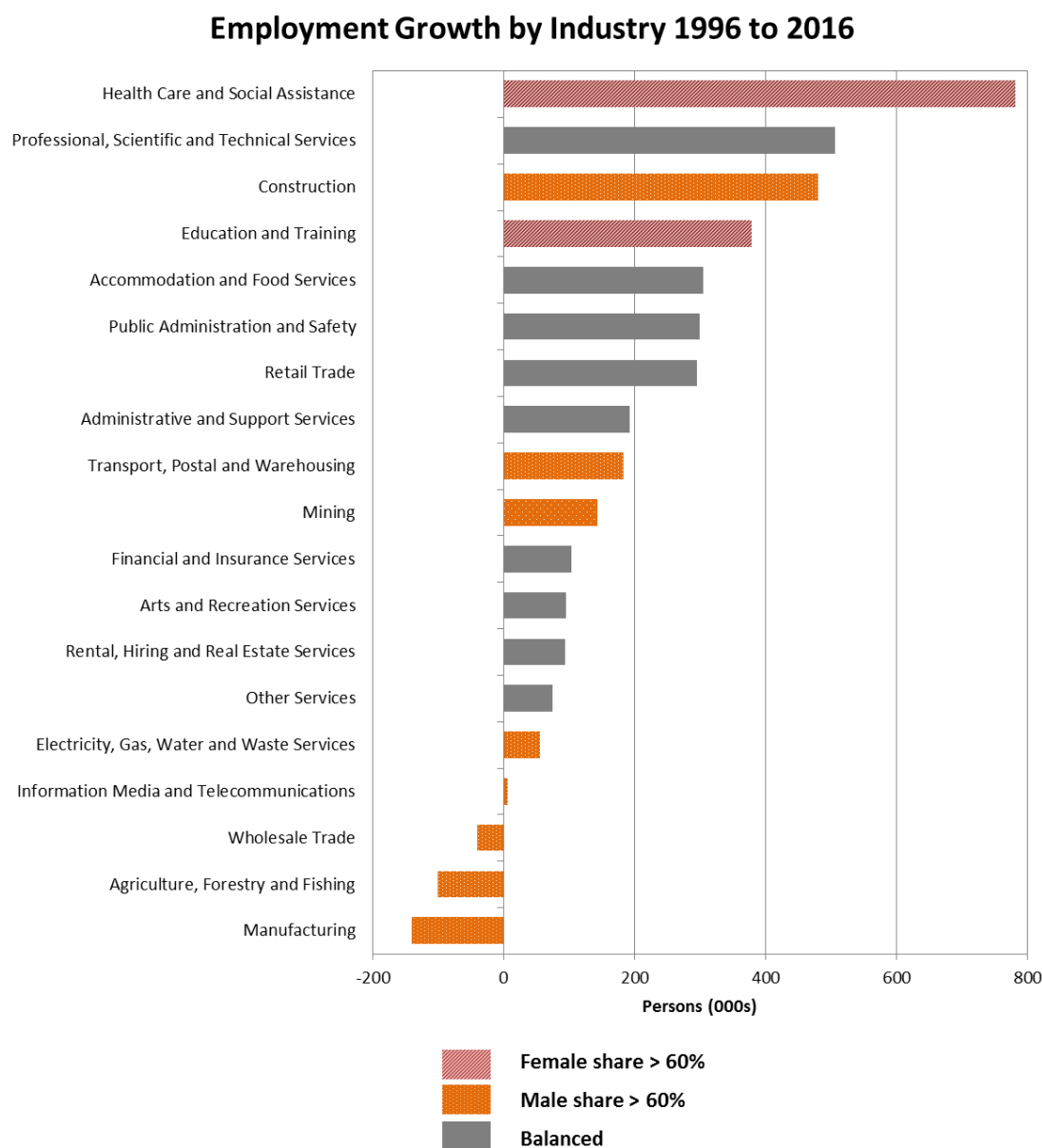
Figure 4 shows employment growth by industry over the 20 years to November 2016. The bars are colour-coded for industries that were more female, more male or mostly gender balanced in 2016; industries with greater than 60 per cent female employment are red, those with greater than 60 per cent male employment are orange and all remaining industries are considered 'balanced' in grey. The Health Care and Social Assistance industry recorded the largest increase in employment (up by 781,100), followed by Professional, Scientific and Technical Services (506,700), Construction (480,400), Education and Training (378,300) and Accommodation and Food Services (304,800). Two of the five industries with the most employment growth had a large share of female employment.

The three industries that had the largest falls in employment over the twenty years to November 2016, had a large male share of employment. Manufacturing recorded the largest fall in employment

<sup>8</sup> ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, Department of Employment trend data.

over the period (down by 141,100), followed by Agriculture, Forestry and Fishing (101,600) and Wholesale Trade (40,700).<sup>9</sup>

**Figure 4:**



ABS (2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, Department of Employment trend.

Figure 5 shows how the gender mix within industries has changed over the last two decades. While women made up a larger share of many industries in 2016 than they did in 1996, the share of female employment went backwards in other industries. Across the Australian workforce overall, the female share rose by 3.3 percentage points, up from 43.1 per cent in 1996.

The largest increases in the female share of employment were seen in Public Administration and Safety Industry (9.0 percentage points), Other Services (8.0 percentage points) and Rental, Hiring

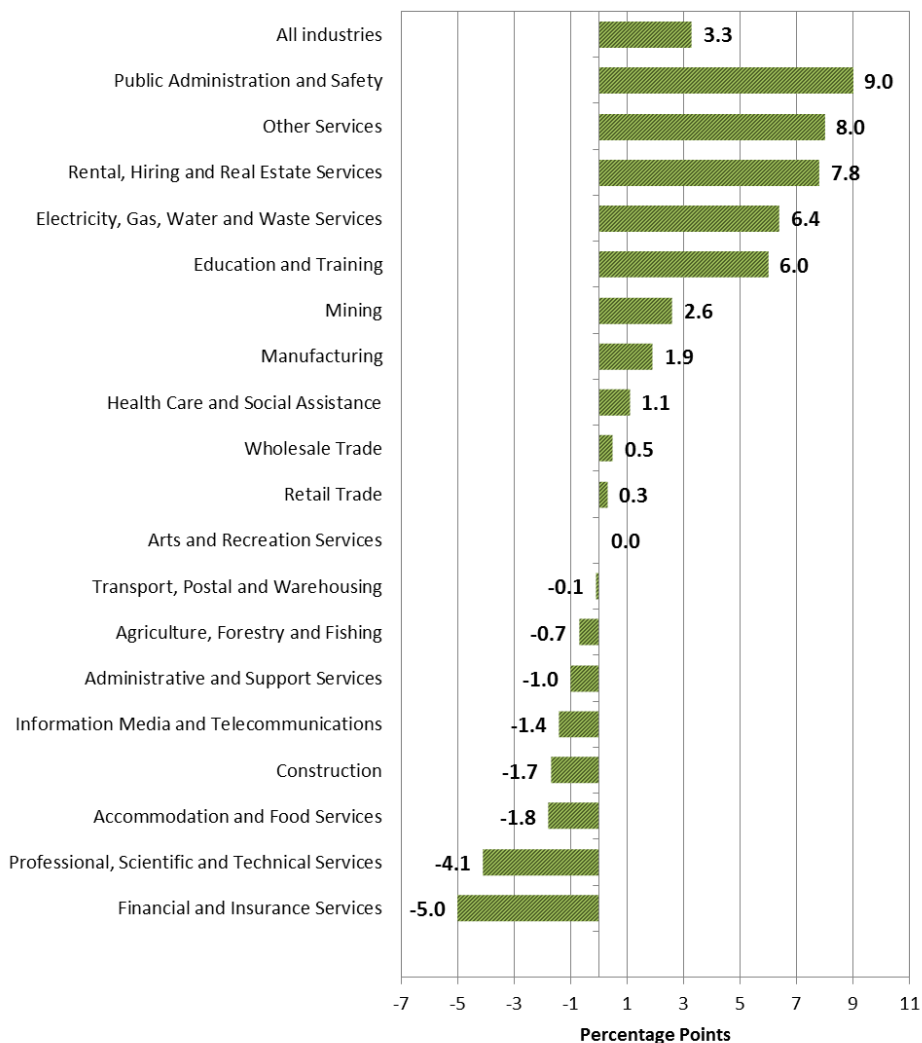
<sup>9</sup> Ibid.

and Real Estate Services (7.8 percentage points). Since 1996, these three industries have gone from a slight male-orientation to roughly equal employment shares between men and women in 2016 (between 46.2 and 53.4 per cent).

The largest decreases in the female share of employment were seen in Financial and Insurance Services (5.0 percentage points), and Professional, Scientific and Technical Services (4.1 percentage points). Other industries have seen little to no change, such as Arts and Recreation Services, Retail Trade and Wholesale Trade.

**Figure 5:**

### Change in Female Share of Employment, 1996 to 2016



ABS (2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, Department of Employment trend. Data for All industries refer to ABS seasonally adjusted.

### ***From an occupational perspective***

Gender segregation in the workforce occurs not only at an industry level, but also across occupations. Most occupations in Australia are gender segregated (i.e. more than 60 per cent of those employed within the occupation are male or female).<sup>10</sup> As Figure 6 shows:

<sup>10</sup> WGEA (2016) *Gender Segregation in Australia's Workforce Fact Sheet*.

- Women make up more than 60 per cent of all Clerical and Administrative workers, Community and Personal Service workers, and Sales workers;
- Men make up more than 60 per cent of all Managers, Labourers, Technicians and Trades workers, and Machinery Operators and Drivers.

According to ABS data, men make up the majority of owner-operators (66.3 per cent).<sup>11</sup>

Looking at data by occupation in Figure 6, as at November 2016 the Clerical and Administrative Workers major occupational group had the largest share of female employment (74.4 per cent), followed by Community and Personal Service Workers (69.0 per cent), Sales Workers (61.0 per cent) and Professionals (54.3 per cent).

- At a more detailed occupational level, the occupations with the largest proportion of female workers included Child Carers (95.2 per cent), Receptionists (93.1 per cent), Bookkeepers (92.5 per cent), Education Aides (88.0 per cent) and Registered Nurses (86.8 per cent) (note: this data is not represented in Figure 6).

Women were underrepresented in the Machinery Operators and Drivers (9.8 per cent) and Technicians and Trades Workers (14.9 per cent) major occupational groups.

- At a more detailed occupational level, the occupations with the smallest proportion of female workers included Truck Drivers (3.9 per cent), Construction Managers (7.4 per cent), Gardeners (9.8 per cent), Architectural, Building and Surveying Technicians (10.7 per cent) and Civil Engineering Professionals (13.7 per cent) (note: this data is not represented in Figure 6).

**Figure 6: Employment by Major Occupation Group**

Major occupational group	Female employment share (%)		Change in Female share, % points	Change in female employment ('000)	Female employment level, 2016 ('000)	Total employment level, 2016 ('000)	Median full time weekly earnings, male and female 2014 (\$)
	1996	2016					
Managers	29.7	35.6	5.9	252.9	546.7	1537.5	1500
Professionals	47.5	54.3	6.8	811.3	1496.4	2756.8	1509
Technicians and Trades Workers	12.2	14.9	2.7	89.4	250.1	1683.8	1159
Community and Personal Service Workers	66.1	69.0	2.9	478.0	872.3	1263.3	990
Clerical and Administrative Workers	76.1	74.4	-1.7	180.2	1249.2	1679.9	1087
Sales Workers	60.6	61.0	0.4	155.1	673.4	1104.3	914
Machinery Operators and Drivers	12.4	9.8	-2.6	-1.7	74.0	756.7	1200
Labourers	35.7	32.6	-3.1	2.5	379.6	1163.9	945

ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, four quarter average of original data; ABS (August 2014) *Characteristics of Employment*, cat. No. 6333.0: Customised Report.

Figure 6 shows women have been increasing their share of most occupations over time. In particular, women's share of jobs in Manager occupations has increased from 29.7 per cent in 1996 to 35.6 per cent in 2016, and women's share of jobs in Professional occupations has increased from 47.5 per cent in 1996 to 54.3 per cent in 2016. Women also increased their share of Community and Personal Service employment from 66.1 per cent in 1996 to 69.0 per cent in 2016.

On the other hand, women's share of employment has declined in occupations such as Machinery Operators and Drivers (from 12.4 per cent in 1996 to 9.8 per cent in 2016) and Labourers (from around 35.7 per cent in 1996 to 32.6 per cent in 2016).

<sup>11</sup> ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003.



Shares of employment in the Technicians and Trades and Sales Workers occupations have been relatively stable, although the share of jobs taken by women has increased modestly in these two cases.

In the last two decades, the number of women working in Information Communication and Technology (ICT) occupations has risen but the number of men working in the same occupations has generally risen faster. For further information, refer to the ICT case study in [Attachment A](#).

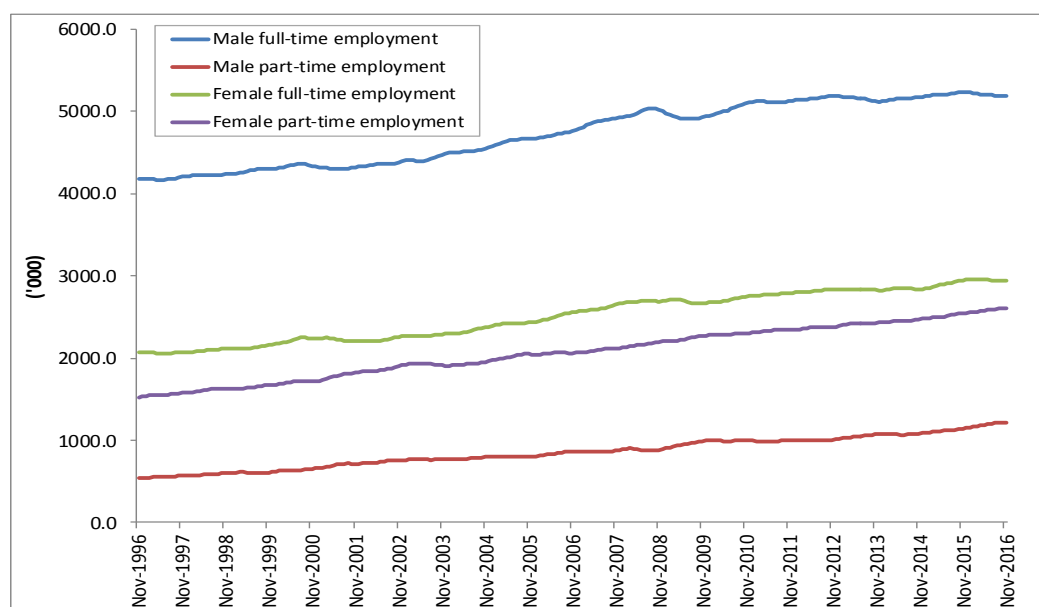
### ***From an employment status and hours of work perspective***

#### ***Women's representation in part-time employment***

While women's labour market participation has increased over the last 20 years (although it has plateaued in recent years and declined over the last year), women are more likely than men to be employed on a part-time basis, with women accounting for 68.4 per cent of all part-time employees in November 2016. This is contrasted with full-time employment, where women accounted for only 36.0 per cent of all full-time employees as at November 2016.<sup>12</sup>

Part-time employment has accounted for 55.0 per cent of the total increase in employment for women from 1996–2016, compared with 39.3 per cent for men.<sup>13</sup> However, there has been a clear upward trend in part-time employment for both men and women in recent times.<sup>14</sup> This may reflect the ongoing transition that is currently underway in the Australian economy, from the traditionally full-time dominated Mining and Manufacturing industries towards the services sector, which provides considerably more part-time job opportunities. Over the two years to November 2016, male part-time employment increased by 11.0 per cent (or by 119,400 which is an annual average rate of 5.4 per cent) compared with a lower increase in female part-time employment of 5.2 per cent (or by 127,700 which is an annual average rate of 2.5 per cent).

**Figure 7: Employment ('000), by gender and part-time/full-time status, Nov 1996 – Nov 2016**



ABS (November 2016) *Labour Force, Australia*, cat. no. 6202.0, trend data.

<sup>12</sup> ABS (November 2016) *Labour Force, Australia*, cat. no. 6202.0, trend data.

<sup>13</sup> Ibid.

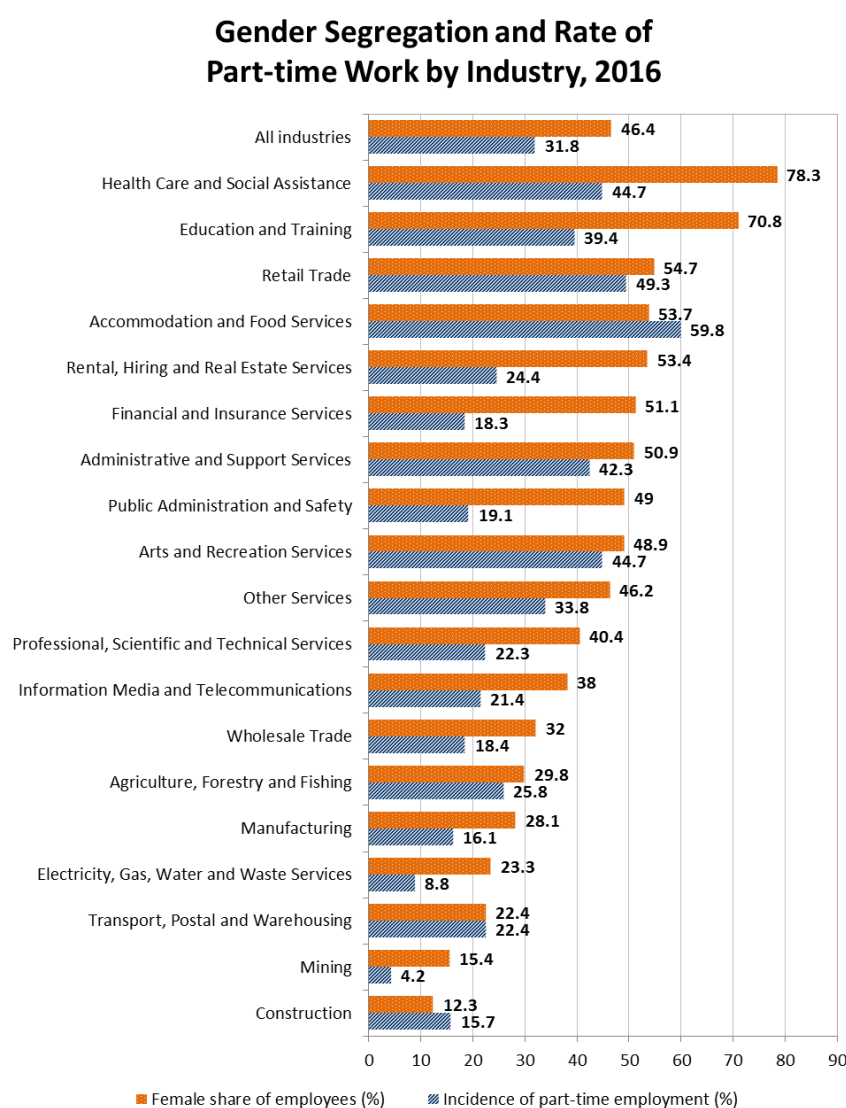
<sup>14</sup> Ibid., employed part-time and full-time, seasonally adjusted.

*Part-time employment by industry*

As indicated above, industries such as Health Care and Social Assistance Services with the largest share of women also have a larger share of part-time employment, while industries with a larger share of men, for example, Mining have a much smaller share.<sup>15</sup>

Figure 8 shows the gender segregation and rate of part-time work within industries in 2016. Across all industries, women make up 46.4 per cent of all employees (i.e. across the whole workforce) and the incidence of part-time employment as a percentage of all employment is 31.8 per cent. The industries are then organised in descending order for female employment share, which coincides with a similar pattern for part-time work; industries with a lower share of women also have lower rates of part-time work.

**Figure 8: Share of part-time employment and female share by industry**



ABS (2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, Department of Employment trend. Data for total employment level 2016 refer to ABS trend. Data for All industries refer to ABS seasonally adjusted.

<sup>15</sup> ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, four quarter average of original data.

*Part-time employment by occupation*

Figure 9 sets out the percentage of full-time and part-time employees by occupational category. A similar pattern as for industries plays out for occupations regarding part-time share of employment. Occupations with a high level of part-time work often have higher levels of female participation. Conversely, occupations with high proportions of men tend to have a lower percentage of part-time employees. This may suggest that women avoid occupations where part-time work is less likely to be available, and/or that part-time work is more likely to be supported by employers in occupations with a higher share of females.<sup>16</sup>

**Figure 9: Occupational workforce by full-time/part-time status, 2016**

Major occupational group	Full-time share of employment (%)	Part-time share of employment (%)	Gender Dominance
Managers	86.8	13.2	Male-dominated
Professionals	74.1	25.9	Mixed
Technicians and Trades Workers	85.0	15.0	Male-dominated
Community and Personal Service Workers	45.0	55.0	Female-dominated
Clerical and Administrative Workers	63.8	36.2	Female-dominated
Sales Workers	42.8	57.2	Female-dominated
Machinery Operators and Drivers	82.6	17.4	Male-dominated
Labourers	53.7	46.3	Male-dominated
<b>All Occupations</b>	<b>68.4</b>	<b>31.6</b>	<b>Mixed</b>

ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, four quarter average of original data.

*Hours worked by full-time men and women workers*

Both men and women full-time workers work more than the maximum weekly ordinary full-time hours for a full-time employee (38 hours a week). Figure 10 shows that the average full-time working woman works 38.2 hours, compared to 42.1 hours worked by the average full-time working man. Working hours are highest in occupations where men have the highest share of employment.<sup>17</sup> This is an important feature explaining some of the gender pay gap, which is nearly always constructed by excluding mothers working part-time and only comparing full-time working women with full-time working men. Part of the reason this gap exists is because men work more hours, and so get paid more.

<sup>16</sup> WGEA (2016) *Gender Segregation in Australia's Workforce Fact Sheet*.

<sup>17</sup> WGEA (2016) *Gender Segregation in Australia's Workforce Fact Sheet*.

**Figure 10: Full-time average weekly hours worked by gender and major occupational group, 2016**

Major occupational group	Female (average hours per week)	Male (average hours per week)	Persons (average hours per week)	Gender Dominance
Managers	42.1	46.8	45.3	Male-dominated
Professionals	38.7	41.5	40.2	Mixed
Technicians and Trades Workers	39.0	41.3	41.1	Male-dominated
Community and Personal Service Workers	37.0	38.9	37.8	Female-dominated
Clerical and Administrative Workers	36.2	40.2	37.6	Female-dominated
Sales Workers	37.4	42.0	39.9	Female-dominated
Machinery Operators and Drivers	37.5	42.3	41.9	Male-dominated
Labourers	38.0	40.1	39.7	Male-dominated
<b>All Occupations</b>	<b>38.2</b>	<b>42.1</b>	<b>40.7</b>	<b>Mixed</b>

ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, four quarter average of original data.

#### *Women's representation in casual employment*

The incidence of casual employment increased markedly between 1990 and 2004, decreased slightly between 2004 and 2012, and has increased slightly since then.<sup>18</sup>

The incidence of casual employment is somewhat higher for women than men: in 2016, 27.0 per cent of employed women had no paid leave entitlements compared to 22.9 per cent of employed men.<sup>19</sup>

The higher incidence of casual employment for women does *not* appear to be related to industries and occupations that they are more commonly employed in. For example, the top two female-employing industries—Education and Training, and Health Care and Social Assistance—have below-average casual employment levels and employ over one third of the working women in Australia.<sup>20</sup>

#### *From a seniority and leadership perspective*

Women are under-represented in senior management and leadership roles.

- According to WGEA data, 37.0 per cent of management positions and 16.3 per cent of CEO positions are held by women.<sup>21</sup> ABS data show that women represented 24.0 per cent of Board Directors and 17.0 per cent of CEOs in 2013-14.<sup>22</sup>
- In senior decision making positions, women make up 25.1 per cent of ASX200 board positions, 30.5 per cent of Federal parliamentarians and 40.5 per cent of Australian Government board positions.<sup>23</sup>

<sup>18</sup> ABS *Employee Earnings, Benefits and Trade Union Membership, Australia*, cat. no. 6310.0 (annual data up to 2013); ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003 (quarterly data from August 2014).

<sup>19</sup> ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, persons 15 years and over – *SuperTABLE EQ04*, four-quarter average of original data.

<sup>20</sup> ABS (August 2015) *Characteristics of Employment, Australia*, cat. no. 6330.0 – Table 6.

<sup>21</sup> WGEA (November 2016) *Australia's gender equality scorecard: key findings from the Workplace Gender Equality Agency's 2015–16 reporting data*.

<sup>22</sup> ABS website, [Media release - 25 August 2015](#).

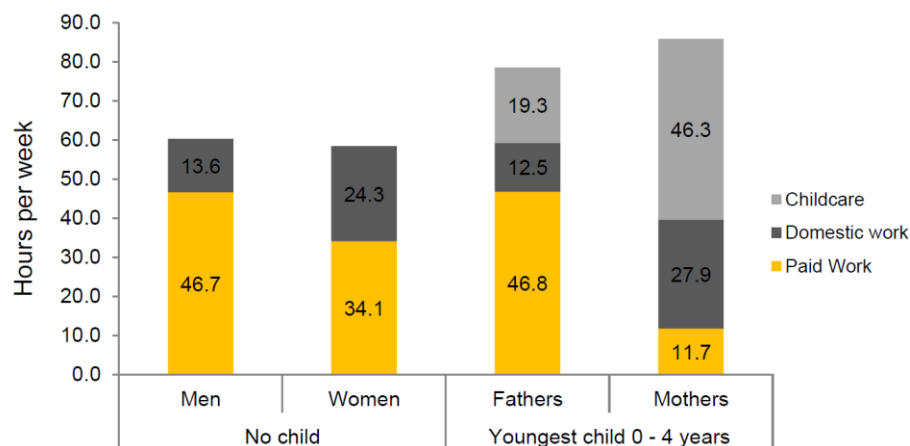
- Gender segregation in leadership positions across industries is also evident. The Health Care and Social Assistance (37 per cent), Education and Training (36 per cent) and Administrative and Support Services industries (21 per cent) recorded the highest proportions of women CEOs, while the proportions were very low in Mining (3 per cent) and Financial and Insurance Services (4 per cent).<sup>24</sup>

Australia's experience is in line with international data that show women still represent only a small percentage of CEOs in the world's largest publicly traded companies.<sup>25</sup>

***From the perspective of engagement in unpaid domestic and caring work***

Women perform the bulk of unpaid domestic and caring work in Australian households, spending on average 64.4 per cent of their average weekly working time on unpaid care work compared to 36.1 per cent for men.<sup>26</sup> The impact of parenthood on time spent performing unpaid domestic and caring work is far greater for women than for men: "when women become mothers they tend to do more housework and more child-minding but spend less time in paid employment than men"<sup>27</sup>. In contrast, when children are born, men's paid work usually remains stable or increases but their time spent on housework tends to decline, indicating that becoming a parent does not usually result in big changes to fathers' paid or domestic workloads.<sup>28</sup> Figure 11 shows time spent on child care and domestic and paid work by gender and parent status.

**Figure 11: Time spent on work by gender (no children/ youngest child 0-4 years)<sup>29</sup>**



Source: Craig, Lyn (2016), Talk entitled Bad Timing: Balancing work and family in the 21<sup>st</sup> Century. Care work data refers to the latest available time use data collection in Australia in 2006.

<sup>23</sup> Australian Institute of Company Directors (2016) *Board Diversity Statistics*; ABS (2016) *Gender Indicators, Australia*, cat. no. 4125.0; and Department of the Prime Minister and Cabinet (2016) *Gender Balance on Australian Government Boards Report 2015-16*.

<sup>24</sup> ABS website, [Media release - 25 August 2015](#).

<sup>25</sup> ILO (2015) *Women in Business and Management: Gaining Momentum, Global Report*, International Labour Organisation Bureau for Employers' Activities, p. 11.

<sup>26</sup> WGEA (2016) *Unpaid Care Work and the Labour Market*, p. 3

<sup>27</sup> Ibid., p. 4.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid., p. 6.

Grandparents (mostly grandmothers) are the most common form of informal child care in Australia. In 2014, there were an estimated 837,000 children aged 0-12 usually cared for by grandparents in a typical week, which is only slightly below the 919,400 children cared for in formal care settings.<sup>30</sup> Research using HILDA data has shown that caring by grandparents, even at relatively high rates, while not necessarily inconsistent with labour force participation, impacts labour market activity.<sup>31</sup>

Women make up the majority of carers for elderly and disabled family and friends, representing 68.1 per cent of primary carers and 55.5 per cent of all carers as at 2015.<sup>32</sup> The combined demands of working and caring for elderly, disabled and chronically ill family and friends have a negative impact on labour force attachment. In 2015, for people aged 15 to 64 years, the labour force participation rate for primary carers<sup>33</sup> (56.3 per cent) and other carers (77.2 per cent) was lower than for non-carers (80.3 per cent).<sup>34</sup>

### ***From an employment arrangements perspective***

Across the Australian labour market, enterprise agreements and above award individual arrangements are the most commonly used employment arrangements<sup>35</sup> (in terms of the proportion of employees using them). In 2016:

- 37.3 per cent (3,782,600) employees' pay was set by individual arrangements;
- 36.4 per cent (3,695,200) employees' pay was set by collective agreements;
- 22.7 per cent (2,307,300) employees' pay was set by awards; and
- 3.6 per cent (361,900) were owner managers of incorporated enterprises.<sup>36</sup>

The prevalence of different employment arrangements varies according to gender. Employees on awards and collective agreements are more likely to be female, and of all female employees a higher proportion is award reliant or on a collective agreement compared with males (Figure 12). By contrast, individual arrangements are more commonly used by male employees.<sup>37</sup> As shown in Figure 12, in May 2016:

- 28.9 per cent of women were on awards compared to 19.6 percent of men;
- 31.3 per cent of women were on an individual arrangement compared to 42.4 per cent of men; and
- 39.8 per cent of women were on collective agreements compared to 37.9 per cent of men.<sup>38</sup>

<sup>30</sup> ABS (2015) *Childhood Education and Care Survey*, cat. no. 4402.0.

<sup>31</sup> Whelan, S. (2012) *Work or care: the labour market activity of grandparents in Australia*, p. 3.

<sup>32</sup> ABS (2016) *Disability, Ageing and Carers, Australia: Summary of Findings, 2015*, cat. no. 4430.0.

<sup>33</sup> A primary carer is defined as a person aged over 15 who provides the most assistance of all informal providers of care to a person with a disability: Ibid.

<sup>34</sup> Ibid.

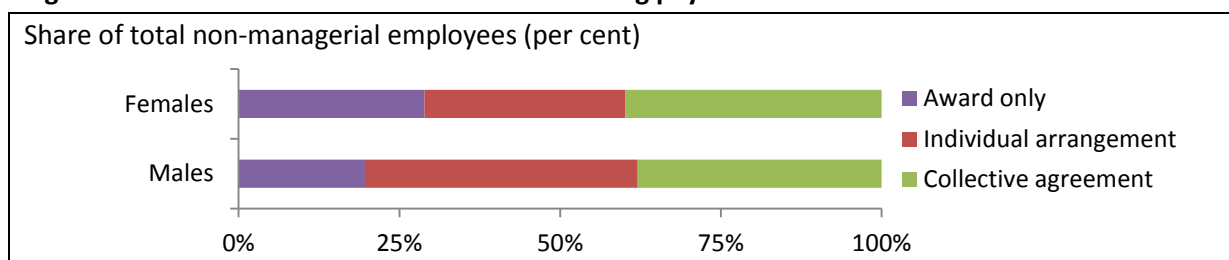
<sup>35</sup> The ABS Survey of Employee Earnings and Hours classifies employees in the 'collective agreement' category if they had the main part of their pay set by a collective agreement (registered or unregistered) or enterprise award. Employees are classified to the 'individual arrangement' category if they have their pay set by an individual contract, individual agreement registered with a Federal or State industrial tribunal or authority, common law contract (including for award or agreement free employees), or if they receive over award payments by individual agreement. Employees are classified as 'award only' if they are paid at the rate of pay specified in the award, and are not paid more than that rate of pay.

<sup>36</sup> ABS (May 2016) *Employee Earnings and Hours, Australia*, cat. no. 6306.0.

<sup>37</sup> Rozenbes (2010) suggests that this is largely due to the different industrial composition of employment for males and females, with females more likely to work in industries with higher award reliance. Refer Productivity Commission (December 2015) *Workplace Relations Framework Inquiry*, Final Report, Canberra.

<sup>38</sup> ABS (May 2016) *Employee Earnings and Hours, Australia*, cat no. 6306.0, released 19 January 2016.

**Figure 12: Gender differences in methods of setting pay**



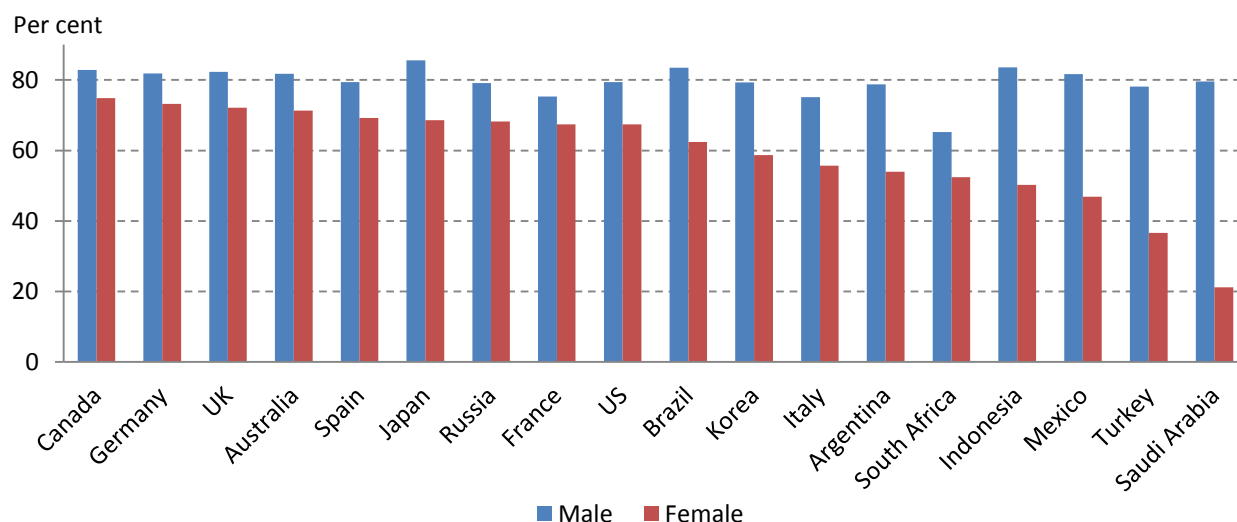
ABS (May 2016) *Employee Earnings and Hours, Australia*, cat no. 6306.0, released 19 January 2016.

### International trends

At a global level, the gap between Australian men and women's labour force participation rates of approximately 11 per cent is close to the Organisation for Economic Co-operation and Development (OECD) average labour force participation gap as between men and women.<sup>39</sup>

Australia's comparatively high female workforce participation rates are also in line with advanced economies such as Germany and the UK. According to a 2016 International Labour Organisation (ILO), OECD, World Bank Group and IMF report, there are gender gaps in participation in all G20 economies (see Figure 13). The extent of the gender gap differs considerably, ranging from 8 percentage points in Canada and France to 58 percentage points in Saudi Arabia.<sup>40</sup>

**Figure 13: Male and female labour force participation rates in G20 member economies, Q3 2016 or most recent data**



Note: Persons aged 15-64, countries ranked in descending order of their female labour force participation rate. Q3 2013 data for Indonesia, 2014 for Brazil, 2015 for Saudi Arabia, Q2 2015 for Argentina, Q1 2016 for South Africa, Q2 2016 for France, Germany, Italy and Mexico, Q3 2016 for Australia and all other economies. Recent data are not available for China and India.

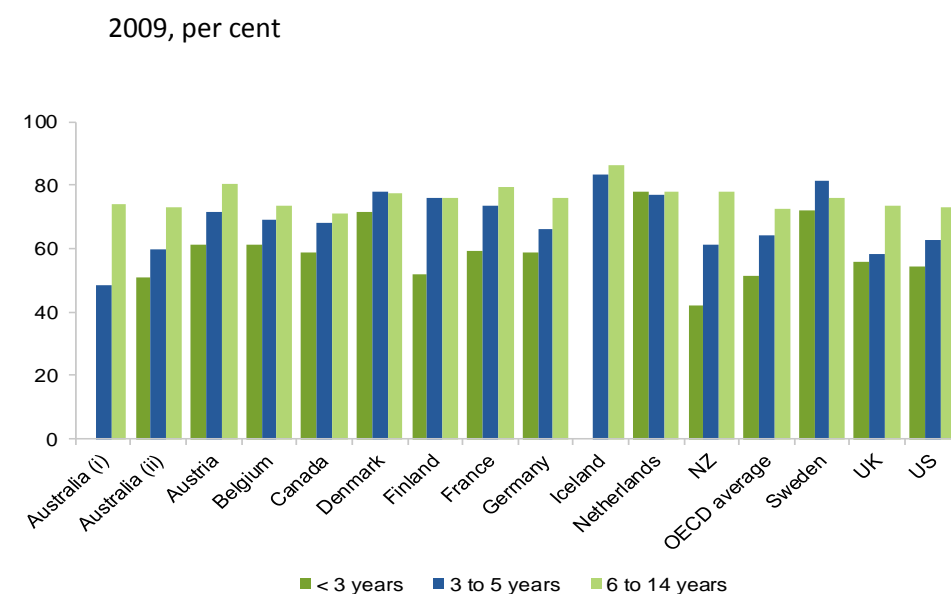
ILOSTAT; OECD.Stat; ILO, OECD, World Bank and IMF (2016) *Employment Trends and Challenges: Report prepared for the G20 Labour and Employment Ministers' Meeting*.

<sup>39</sup> ABS (December 2016) *Labour Force, Australia*, cat. no. 6202.0, seasonally adjusted, persons 15 years and over; OECD statistics found at [OECD.stat](http://OECD.stat). Note: the Australian figure is based on all persons aged 15 years and over whereas the OECD figures are based on all persons aged between 15 and 64.

<sup>40</sup> ILO, OECD, World Bank and IMF (2016) *Employment Trends and Challenges: Report prepared for the G20 Labour and Employment Ministers' Meeting*.

Compared with the OECD, the largest discrepancy between Australia and the OECD average is in employment rates for those mothers with a child aged three to five years (see Figure 14). While this group is similar to New Zealand and the United States, the 60 per cent employment rate of Australian mothers is below the OECD average of 64 per cent and is lower than comparable countries such as Sweden, Denmark and Canada. Australia's employment rate for mothers with a child aged under three years is slightly below that for the OECD average and for mothers with a child aged six to fourteen years is slightly above the OECD average.<sup>41</sup>

**Figure 14<sup>42</sup>: Employment rates of mothers by age of child in selected OECD countries a,b,c**



**a** Some of the data underpinning the employment rates refer to different time periods: 2011 for Australia (ii) 2007 for Sweden; 2005 for the United States; 2002 for Iceland; 2001 for Canada; 1999 for Denmark.

**b** Some of the data underpinning employment rates refer to different ages of children: data for Australia(i) and Iceland refer to mothers with a child aged less than 5; data for Canada, Denmark, Iceland, Sweden, and the United States refer to mothers with a child aged between 6 and 16.

**c** The OECD average covers Australia (i), Austria, Belgium, Bulgaria, Canada, Chile, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States. Source: Australia (i) and all other countries — OECD (2013d); Australia (ii) — DSS (2013b).

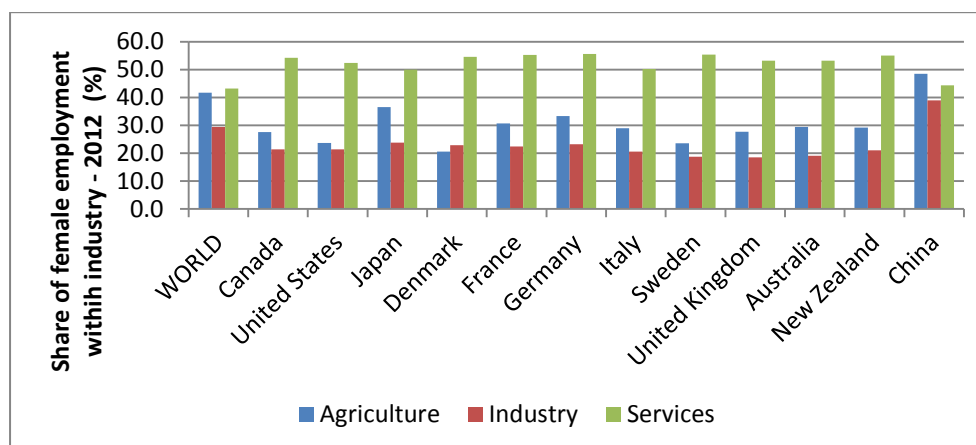
<sup>41</sup> Productivity Commission Inquiry Report (2015) *Childcare and Early Learning* Vol.1, p. 196.

<sup>42</sup> Ibid.



Figure 15 shows that Australia is in line with other advanced economies where gender sectoral and occupational segregation remain high, with women primarily being employed in education, health and services.<sup>43</sup>

**Figure 15: Share of female employment by industry, 2012**



ILO (2012) *Global Employment Trends*.

### 3. Economic impacts of gender segregation in Australian workplaces

Women's lower labour force participation rate compared to men has economic implications for women and the broader economy. Many women outside the labour force are mothers who are doing many hours of unpaid, productive labour. This is not the case for most men who are outside the labour force. When mothers join the labour force, either someone else needs to do the labour they were doing at home, which can be expensive for both governments and households, or the mother simply does more total hours of work per week. On the other hand, women who spend most of their time doing unpaid work at home or who only work part-time are at risk of financial poverty, particularly when they divorce or outlive their partners.

#### ***Impact on the economy of lifting female labour force participation rates***

As indicated previously, men account for a larger share of total employment than women (53.6 per cent for men compared with 46.4 per cent for women)<sup>44</sup> and have higher labour force participation rates than women (59.1 per cent for women compared with 70.5 per cent for men).<sup>45</sup> It has been estimated that increasing women's labour force participation by six per cent could increase Australia's national GDP by \$25 billion.<sup>46</sup> Closing the gap between male and female employment rates has been estimated to potentially boost Australia's GDP by 11 per cent.<sup>47</sup>

In recognition of the social and economic importance of increasing women's labour force participation rates, in 2014 Australia led the G20 commitment to reduce the gap in labour force

<sup>43</sup> ILO (2012) *Global Employment Trends for Women*.

<sup>44</sup> ABS (December 2016) *Labour Force, Australia*, cat. no. 6202.0, trend data.

<sup>45</sup> Ibid., persons aged 15 years and over, seasonally adjusted data.

<sup>46</sup> Daley, John. (June 2012) *Game-changers: economic reform priorities for Australia*, Grattan Institute, p. 39.

<sup>47</sup> Goldman Sachs JBWere (2009) *Australia's Hidden Resource: The Economic Case For Increasing Female Participation*, Research Report, Australia, p. 14.

participation rates for working age men and women by 25 per cent by 2025.<sup>48</sup> For Australia, this means reducing the gap by at least three percentage points.<sup>49</sup>

***The gender pay gap is 16.2 per cent based on average weekly full-time earnings or 11.3 per cent based on hourly earnings (which takes account of both full-time and part-time work)***

Reasons for the gender pay gap are complex and influenced by a number of interrelated factors including workforce composition, differences in family/caring responsibilities and societal factors. A range of studies have examined different features of Australian women's labour force characteristics for the purpose of determining the underlying contributing factors to the gender pay gap. While there is debate regarding the relative contributions of different features of women's labour force characteristics, and difference in the number of hours per week full-time men and women work, those elements relating to gender labour force segregation, particularly industrial segregation, occupational segregation, share in part-time employment and career interruptions to care for children all contribute toward the gender pay gap.<sup>50</sup>

In May 2016, the average weekly earnings gender pay gap for full-time adult employees was 16.2 per cent.<sup>51</sup> This figure is measured using ordinary time earnings and only measures full-time workers. It therefore does not reflect the actual number of hours worked (full-time working men work more hours per week than full-time working women) and does not include part-time workers.

Where ABS Employee Earnings and Hours (EEH) data is used, the average hourly gender pay gap in May 2016 based on total cash earnings for full-time male and female non-managerial employees was 9.6 per cent, and for full-time and part-time male and female non-managerial employees it was 11.3 per cent. Using EEH data on total cash earnings allows for a comparison of the hourly rate of pay received by men and women as it accounts for the actual hours worked (men work more hours per week compared with women). In May 2016, full-time non-managerial men were paid for an average total number of weekly hours of 40.2 compared with 37.8 for full-time non-managerial women (includes overtime hours worked).<sup>52</sup>

Data for 2015-16 collected by WGEA from private sector employers with 100 or more employees indicates an average annual gender pay gap for managers of 23.5 per cent for full-time base salary and 28.0 per cent for full-time total remuneration. The average annual gender pay gap figure for non-managers was 14.5 per cent for full-time base salary and 20.2 per cent for full-time total remuneration.<sup>53</sup>

At an industry level, women's average weekly ordinary time earnings (AWOTE) are less than men in all industries (see table in [Attachment B](#)). This is consistent with data collected by WGEA which finds that all industries have pay gaps in favour of men (see table in [Attachment C](#)). As indicated in the table at [Attachment B](#), AWOTE for all employees in some of the industries that employ the most women (e.g. Health Care and Social Assistance, and Retail Trade) are lower than in some of the

<sup>48</sup> The headline figure that is widely-reported in Australia is the figure for persons aged over 15. The G20 target is based on the 15–64 year old ('working age') participation rate for better comparison with other countries.

<sup>49</sup> Based on a baseline participation gap of 12.1 percentage points, the annual average for 2012.

<sup>50</sup> See for example KPMG (2016) *She's Price(d)less: the economics of the gender pay gap*; KPMG (2009) *Understanding the Economic Implications of the Gender Pay Gap in Australia*; Cassells, R., Vidyattama, Y., Miranti, R., and McNamara, J. (2009) *The Impact of a sustained gender pay gap on the Australian economy*, NATSEM, University of Canberra; WGEA/Bankwest Curtin Economics Centre (2016) *Gender Pay Equity Insights Report*.

<sup>51</sup> ABS (May 2016) *Average Weekly Earnings, Australia*, cat. no. 6302.0

<sup>52</sup> ABS (May 2016) *Employee Earnings and Hours, Australia*, cat. no. 6306.0.

<sup>53</sup> Data provided by WGEA to Department of Employment, January 2017.

industries that employ the most men (e.g. Mining, Construction, and Electricity, Gas, Water and Waste Services).

Female managers working in male-dominated industries are more likely to be remunerated more closely to their male peers, while male managers working in female-dominated industries tend to earn considerably more than their female peers.<sup>54</sup> Men are still at an advantage over women in female-dominated sectors or occupations, such as men in nursing in Australia, who are more likely to be in senior positions.<sup>55</sup>

The existing literature shows mixed findings on the impact of occupational segregation on gender pay gaps. Some studies have found that occupational segregation contributes to the gender pay gap, particularly at the top end of wage distribution.<sup>56</sup> Other studies show that, at the lower end of the occupation spectrum (for example, Sales, Service and Clerical workers), the gender pay gap is very low or even non-existent. This relates to the apparent protection that is afforded to lower paid workers through awards and collective workplace agreements.<sup>57</sup>

The gender pay gap is heavily influenced by women's greater share of part-time work and higher incidence of career breaks for caring purposes.<sup>58</sup> WGEA data from 2014-15 showed that the annualised base salary for part-time employment was \$54,154 compared to \$84,851 full-time average base salary.<sup>59</sup> The effect of taking parental leave has been found to have a negative effect on women's wage growth which increases with the length of leave. Analysis of the 2009 Household Income and Labour Dynamics Australia (HILDA) data showed Australian women returning to work after 12 months parental leave were subject to an average 7 per cent wage penalty ('motherhood penalty') which increased to 12 per cent over the subsequent year.<sup>60</sup>

### **Retirement savings**

The economic consequences for women in lower paid jobs or who take career breaks or reduce their working hours to perform caring or other unpaid work can be large and cumulative over the course of life, including significantly lower retirement savings compared to men.

In Australia, many women's retirement savings through superannuation lag significantly behind their male partners. The average account balance in 2013-2014 for people with superannuation (excluding those with a nil balance) was around \$135,000 for men and around \$83,000 for women.

<sup>54</sup> WGEA/Bankwest Curtin Economics Centre (2016) *Gender Pay Equity Insights Report*, p. 7.

<sup>55</sup> ILO (2016) *Women at work – Trends*, p. 52

<sup>56</sup> See for example, Miller, P. W. (1994) 'Occupational segregation and wages in Australia', *Economics Letters*, 45, pp. 367–371; Preston, A.C. and Whitehouse, G. (2004) 'Gender Differences in Occupation of Employment within Australia', *Australian Journal of Labour Economics*, 7(3), pp. 309-327; Robinson, D. (1998) 'Differences in Occupational Earnings by Sex', *International Labour Review*, 137(1), pp. 3-31; Wooden, M. (1999) 'Gender Pay Equity and Comparable Worth in Australia: A Reassessment', *The Australian Economic Review* 32(2) pp. 157–71.

<sup>57</sup> See for example, Healy, J., Kidd, M., and Richardson, S. (2008) 'Gender pay differentials in the low-paid labour market', *2008 Minimum Wage Research Forum Proceedings*, Volume 2, report commissioned by the Australian Fair Pay Commission, Research Report No. 4b/08, October; WGEA/Bankwest Curtin Economics Centre (2016) *Gender Pay Equity Insights Report*; Cassells, R., Vidyattama, Y., Miranti, R., and McNamara, J. (2009) *The impact of a sustained gender pay gap on the Australian economy*, Report to the Office of Women, Department of Family, Community Services, Housing and Indigenous Affairs.

<sup>58</sup> KPMG (2016) *She's Price(d)less: the economics of the gender pay gap*; OECD Economics Department (2004) *Female Labour Force Participation: past trends and main determinants in OECD countries*; Zimmerman, L, Mitchell, B, Wister, A and Gutman, G, (2000) 'Unanticipated Consequences: A Comparison of Expected and Actual Retirement Timing among Older Women', *Journal of Women & Aging*, 12, p. 112; ILO (2016) *Women at work – Trends*.

<sup>59</sup> WGEA (2015) 2014/15 Reporting data cited in WGEA (2016) *Unpaid Care Work and the Labour Market*, p. 5.

<sup>60</sup> Ibid., p. 7.

The average superannuation balances in 2013-14 at time of retirement (assumed to be between 60 and 64 years of age) was \$292,000 for men and \$138,150 for women.<sup>61</sup> Superannuation balances are however expected to continue to grow, given many people have only had superannuation since its commencement under industry awards in the late 1980s and introduction of the Superannuation Guarantee in 1992.<sup>62</sup>

In 2015, the ANZ Women's report noted that Australian women have just over half as much superannuation as men. It also noted that 90 per cent of women will retire with inadequate superannuation savings and one fifth of women yet to retire have no superannuation.<sup>63</sup> This contributes to greater poverty in retirement for women, and is exacerbated by the fact that women tend to live longer than men.<sup>64</sup>

Industry Super Australia cites industrial and occupational segregation, the under-representation of women in senior roles, fragmented workforce participation due to women's greater commitment to unpaid caring responsibilities, and the over-representation of women in casual and part-time work, as factors contributing to lower retirement savings for women in Australia.<sup>65</sup>

Ernst & Young has found that the interrupted work patterns of mothers caring for children is one of the biggest barriers for women in accumulating sufficient superannuation. It estimates the following superannuation deficit using the example of a 32 year old woman leaving the workforce for two years to care for her children, and intending to retire at age 65, compared with a woman of the same age, salary and super balance who does not take time out of the workforce:

\$65,000 salary = \$28,000 superannuation deficit  
\$85,000 salary = \$36,500 superannuation deficit  
\$115,000 salary = \$50,000 superannuation deficit<sup>66</sup>

According to EY, women could also potentially accrue \$237,000 of additional income (at 2012 average earning rates) by working an additional three years across their working life.<sup>67</sup>

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<sup>61</sup> Clare, Ross. (December 2015) *Superannuation account balances by age and gender*, ASFA Research and Resource Centre, p. 3.

<sup>62</sup> Ibid.

<sup>63</sup> ANZ (July 2015) *Women's report: barriers to achieving financial gender equity*, p. 67.

<sup>64</sup> Blackburn, Robert, Jarman, Jennifer and Racko, Girts, (January 2015) 'Understanding gender inequality in employment and retirement', *Contemporary Social Science: Journal of the Academy of Social Sciences*, pp. 238-252.

<sup>65</sup> Industry Superannuation Australia (November 2015) *Submission to Senate Inquiry into Economic Security of Women in Retirement*, pp. 12-13.

<sup>66</sup> Ernst & Young (July 2013) *Untapped opportunity: the role of women in unlocking Australia's productivity potential*, p. 5.

<sup>67</sup> Ibid.

## 4. Measures to address gender segregation and promote gender pay equity

### *Challenging stereotypes about men's work and women's work*

Stereotypes can shape career decisions well before entry into the labour market. Cultural and social norms play a significant role in determining how people perceive women's roles in the workplace as well as within the family and wider community.<sup>68</sup> Breaking down perceptions about 'appropriate' jobs for men and women is key to addressing gender segregation across industries and occupations.

### *Collaborating with industry to get women into traditionally 'male' industries and roles*

In collaboration with industry bodies, the Australian Government has committed to private sector initiatives that support women to succeed in traditionally male-dominated roles and industries. One of these is the Australian Women in Resources Alliance e-mentoring program, an initiative of the Australian Mines and Metals Association, which provides mentoring for women in the resources sector to overcome the barriers of living and working in remote regions. The Government has provided additional funding of \$490,000 in 2016 for a further 100 mentoring places, focusing on women in remote regions. This is on top of Government funding to successfully match 100 pairs of mentors and mentees provided between 2014 and 2016.<sup>69</sup>

The Government is investing \$13 million over five years under its National Innovation and Science Agenda to encourage young women to pursue and retain careers in Science, Technology, Engineering and Maths (STEM) related fields.<sup>70</sup> The gender distribution of people with qualifications in STEM is highly skewed against women in Australia, with males making up 84 per cent of all persons with qualifications.<sup>71</sup> Because the number of women with qualifications is lower, they may be at risk of missing new opportunities in emerging roles – cutting-edge jobs that do not yet exist.<sup>72</sup> If women miss out on these jobs, employers will face a restricted applicant pool and miss out on the productivity benefits of a diverse workforce.<sup>73</sup> Price Waterhouse Coopers has found that STEM knowledge is required for 75 per cent of the fastest growing occupations.<sup>74</sup> Only one in four IT graduates, and fewer than one in 10 engineering graduates in Australia is female.<sup>75</sup> There is a risk of women missing out on some of the best paid jobs of the future.

The Australian Human Rights Commission, with funding from the Australian Government Office for Women, has developed a toolkit to assist employers with practical suggestions for attracting, recruiting, retaining and developing women in non-traditional roles in male-dominated industries.<sup>76</sup>

### *Collaborating with industry to get men into traditionally 'female' industries and roles*

Encouraging men into female-dominated industries is as important as encouraging women into traditionally male-dominated fields. With the decline of many male-dominated industries, male workers are encouraged to consider growth industries such as Health Care and Social Assistance, which is projected to grow by 250,200 jobs over the five years to November 2020, or Education and

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<sup>68</sup> OECD (2000) *Culture, Gender Equality and Development Cooperation*, p. 1.

<sup>69</sup> Senator the Hon Michaelia Cash, [Media release - 8 August 2016](#).

<sup>70</sup> Australian Government, [National Innovation and Science Agenda](#).

<sup>71</sup> Australian Government (2016) *Australia's STEM Workforce: Science, Technology, Engineering and Mathematics*, Office of the Chief Scientist.

<sup>72</sup> World Economic Forum (2016) *The Future of Jobs: Employment Skills and Workforce Strategy for the Fourth Industrial Revolution*.

<sup>73</sup> Ibid.

<sup>74</sup> Price Waterhouse Coopers, [Media release - STEM skills - 30 April 2015](#).

<sup>75</sup> Australian Government, [National Innovation and Science Agenda](#).

<sup>76</sup> Australian Human Rights Commission website, [Women in male-dominated industries: a toolkit of strategies](#).

Training which is projected to grow by 121,700 jobs over the same period.<sup>77</sup> Together these industries will account for 37.6 per cent of the projected growth in employment over the five years to November 2020.

The male-dominated automotive manufacturing industry in South Australia and Victoria is set to close by the end of 2017. As at November 2016, 44,900 people are employed in Australia's Motor Vehicle and Motor Vehicle Part Manufacturing sector with male employees outnumbering women by more than four to one.<sup>78</sup> While the skills and capabilities of more highly qualified workers are likely to be transferable to other sectors, redeployment of lower skilled workers will depend on the ability of these workers to develop new skills which are in demand in other industries.

To facilitate structural adjustment in the labour market as a result of these changes, the Government established the Geelong Employment Facilitator in 2013 to identify job opportunities for workers in the region, including establishing a number of projects to encourage workers from traditionally male industries into non-traditional roles. One such project was the Retrenched Workers Community Services Taster Program, which particularly targeted retrenched workers from the Manufacturing sector in the region to consider opportunities in the Community and Health Services sector. The job seekers were given an opportunity to be supported into a role in that sector and to leverage local connections to apply for employment. The program allowed the retrenched workers to gain a detailed insight into the opportunities and types of jobs in this sector, and to have access to opportunities in an area that was traditionally female focused in which they may otherwise have been unlikely to give serious consideration to employment.

***Promoting women's labour market attachment during childbearing and early childhood years***

As highlighted above, unlike fathers<sup>79</sup>, mothers' engagement in paid labour is lower when children are younger and increases as children grow older. The Australian Government supports the retention of new parents, particularly mothers, in the labour market in a number of ways.

***Leave entitlements for parenting purposes***

Two types of payments are available to working parents of newborns or recently adopted children under the Paid Parental Leave scheme:

- Parental Leave Pay of up to 18 weeks' pay at the rate of the national minimum wage to eligible primary carers, usually mothers, who meet the workforce participation eligibility requirements, and
- Dad and Partner Pay of up to two weeks' pay at the rate of the national minimum wage to eligible dads or partners caring for a child.

Evaluation of the Paid Parental Leave scheme in 2014 found that it had a clear effect of extending the amount of time most mothers took off work during the first six months after the baby's birth and slightly increasing their probability of returning to work before the baby's first birthday.<sup>80</sup>

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<sup>77</sup> Australian Government, [Labour Market Information Portal - Employment Projections 2016](#), Department of Employment.

<sup>78</sup> ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.055.003, Department of Employment trend data.

<sup>79</sup> Compared to women, men are more likely to return to work in a full-time capacity after the birth of a child. WGEA (2016) *Unpaid Care Work and the Labour Market*, p. 7.

<sup>80</sup> Department of Social Services (2014) *PPL Evaluation: Final Report*, Institute for Social Science Research, University of Queensland, p. 4.

Under the *Fair Work Act 2009* (Cth) (Fair Work Act) all permanent employees with at least 12 months' continuous service with their employer and long term casual employees who have a reasonable expectation of continuing employment on a regular and systematic basis also have a right to 12 months' unpaid parental leave (available to either parent), along with a right to request an additional 12 months' unpaid leave (with a limit of 24 months' leave per couple). Parents of a newborn or newly adopted child may also take up to eight weeks of parental leave concurrently.

The Fair Work Act also provides permanent employees with an entitlement of 10 days' paid personal/carer's leave for each year of continuous service with their employer (which accumulates from year to year). This leave can be used to provide care or support to a member of the employee's immediate family or household because they are ill, injured or in an emergency. In addition, two days of unpaid carers' leave is available to all employees in the same circumstances on each permissible occasion.

*Flexible working arrangements in legislation and instruments governing employment*

The Fair Work Act provides employees with at least 12 months' continuous service (and long-term casuals) with the right to request flexible working arrangements in a range of circumstances, including where the employee is the parent, or responsible for the care, of a child who is of school age or under. There is also a specific right for parents returning from parental leave to request part-time work.

The Fair Work Act ensures that all modern awards and enterprise agreements contain flexibility terms to facilitate greater access to flexible work arrangements through the use of individual flexibility arrangements (IFAs). IFAs may vary arrangements for when work is performed, overtime and penalty rates, allowances and leave loading. Variations to an underlying award or applicable enterprise agreement may be made in relation to any of these matters by agreement as long as the employee is "better off overall" under the IFA than under the relevant modern award or applicable enterprise agreement. IFAs are available to all employees covered by a modern award or enterprise agreement regardless of their classification level. While there is only a small take-up of these arrangements (only 2 per cent of employees are covered by an IFA), employees with dependent children under 15 are roughly twice as likely to enter into an IFA as employees without.<sup>81</sup>

All modern award provisions must be gender neutral. The modern awards objective (section 134 of the Fair Work Act) includes a requirement that modern awards need to promote social inclusion through increased workforce participation and must be underpinned by the principle of equal remuneration for work of equal or comparable value. Section 153 of the Fair Work Act states that modern awards must not include terms that discriminate against an employee for reasons including sex, sexual orientation, marital status, family or carer's responsibilities, or pregnancy.

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<sup>81</sup> Fair Work Commission (2015) *General Manager's report into individual flexibility arrangements under s.653 of the Fair Work Act 2009* (Cth), 2012-2015, p. viii.

While in the past, relatively few awards or agreements provided for part-time work<sup>82</sup>, the majority of modern awards now include part-time employment as an option. Of the 122 modern awards, there are six awards which do not include part-time work as an option:

- Maritime Offshore Oil and Gas Award 2010
- Seagoing Industry Award 2010
- Road Transport (Long Distance Operations) Award 2010
- Professional Diving Industry (Industrial) Award 2010
- Mobile Crane Hiring Award 2010, and
- Stevedoring Industry Award 2010.

The Australian Industry Group has applied to the Fair Work Commission to install part-time employment provisions in the Road Transport Award, and a decision is expected in early 2017.

#### *Promoting flexible working arrangements*

As previously noted, the perceived flexibility and 'family friendly' culture of an industry or occupation is a strong consideration for many women when making employment decisions, especially those returning from a period of absence while caring for children.<sup>83</sup> The majority of industries with a large share of men also have the lowest share of part-time employment (refer to Figures 3 and 8). Smaller proportions of part-time employees and the working of longer hours by full-time employees are attributes which may deter people with family and caring responsibilities.<sup>84</sup>

The Fair Work Ombudsman, the Australian Human Rights Commission, the Centre for Workplace Leadership, and WGEA all provide information and tools for employers and employees to promote flexible working arrangements. For example, the Australian Human Rights Commission's [Supporting Working Parents](#) website provides information on rights and obligations in the workplace around pregnancy, parental leave and return to work.

The Australian Public Service Commission's *Balancing the Future: Australian Public Service Gender Equality Strategy 2016-2019*<sup>85</sup> (released by Senator the Hon Michaelia Cash, Minister for Employment, in April 2016) includes a range of strategies to improve gender equality in the Australian public service. It includes steps to promote flexible working arrangements for everyone in the Australian public service, not just women with children. Agencies must review current roles and ensure that flexible work arrangements do not hamper employees' career progression, as well as put in place mechanisms to improve the take-up of flexible work by men.

The Government is strongly supportive of business embracing flexibility. The Government has endorsed the Australian Women in Resources Alliance and the Australian Mines and Metals Association's guide on flexible working arrangements.<sup>86</sup> It is important that men are encouraged to assume their share of caring responsibilities and to make use of flexible work arrangements

<sup>82</sup> See Stewart, A. Forsyth, A., Irving, M., Johnstone, R., and McCrystal, S. (2016) *Creighton & Stewart's Labour Law*, pp. 249-250; Abhayaratna, J., Andrews, L., Nuch, H., and Podbury, T. (2008) *Part Time Employment: the Australian experience*, Productivity Commission Staff Working Paper, p. xviii.

<sup>83</sup> Adda, J., Dustmann, C., and Stevens, K. (2016) *The Career Costs of Children*, Centre for Economic Policy Research, London.

<sup>84</sup> WGEA (2016), *Gender Segregation in Australia's Workforce Fact Sheet*.

<sup>85</sup> Australian Government, *Balancing the Future: Australian Public Service Gender Equality Strategy 2016-19*, APSC, p. 13.

<sup>86</sup> [AWRA Flexible Working Guide -2016](#), Australian Women in Resources Alliance, AMMA.



alongside women.<sup>87</sup> Telstra's 'All Roles Flex' initiative mainstreams and normalises flexibility within the organisation, and the engineering and design consultancy GHD has been recognised as a gender equality leader by WGEA for fostering a culture where men are encouraged to work part-time.<sup>88</sup>

In 2012, Caltex Australia introduced a BabyCare package that led to a 25 per cent increase in the number of women successfully transitioning back to work after having a baby. The initiative provides a quarterly 3 per cent bonus for the first two years back at work to cover child care costs, assistance to find suitable child care and paid access to an emergency nanny service.<sup>89</sup>

Working as a small business operator may assist women to balance work and family responsibilities. Ninety-three per cent of women business operators in 2010 felt their work enabled them to meet their family and community responsibilities.<sup>90</sup> According to ABS data reported to the Office for Women, in June 2014 women made up 34 per cent of all business operators in Australia, the vast majority of which are small businesses (97 per cent). This represents only 12.5 per cent of all employed women. Just under 40 per cent of women business operators had children aged 0-14 in 2013.

Given the important contribution of small business to economic growth, the Government is supporting small businesses to grow and contribute to employment through its Jobs and Small Business package, including tax cuts and simplified tax rules for small business. These measures will assist the almost 670,000 women operating a small business in Australia.

#### *Measures to assist parents to enter and stay in the workforce*

The Government is investing around \$40 billion in child care support over the next four years to facilitate the use of child care via a range of reforms. These reforms aim to provide families with affordable access to the type of care they need to get back to work after starting a family. Flexible, affordable and accessible child care is a key element of ensuring women's participation in the labour market, as the cost, quality and availability of child care influences women's decisions about whether and how to return to employment after childbirth.<sup>91</sup>

In April 2016 the Government also established the ParentsNext program to assist parents with young children to plan for future employment. The program operates across 10 local government areas, and involves activities and projects that connect parents to local services to prepare them for work by the time their children are at school. Ninety-six percent of users of the program have been women with children aged less than six years.

Given the projected growth in the community and aged care sectors, the Department of Employment has partnered with UnitingCare Australia to run a pre-employment and training model – three pilot projects to create long-term employment pathways for women. The projects focus on women who may be facing barriers in returning to work or entering the paid workforce for the first time, while responding to the specific needs of employers. Projects incorporate a recruitment

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<sup>87</sup> A recent UK survey found that fathers want to be more involved with their children and that seven out of ten fathers would consider child care before taking a new job or promotion: Working Families/BrightHorizons Family Solutions LLC, *2017 Modern Families Index*, p. 34.

<sup>88</sup> Telstra website, [Accelerating change for women](#); WGEA website, [EOCGE employer profiles](#).

<sup>89</sup> WGEA website, [EOCGE employer profiles](#).

<sup>90</sup> Australian Government (2015) *Profile of Australian Women in Business*, report prepared by the ABS for the Office for Women.

<sup>91</sup> Baxter, J. A., Hand, K., Sweid, R. (2016) *Flexible child care and Australian parents' work and care decision making*, Australian Institute of Family Studies, p. 8.

method that focuses on job seekers displaying certain values and attributes, rather than having specific qualifications or experience. The projects involve training, mentoring, work experience and employment for job seekers who successfully complete pre-employment training. In July 2016, Senator the Hon Michaelia Cash, Minister for Employment, announced a \$10 million expansion of the program over the next two years.

### **Promoting women in leadership**

Getting more women into leadership roles will not only provide them with higher paying jobs, but also normalise the concept of women's equality with men in all job roles. The visibility of women on boards is a crucial part of this process. As described in BankWest's *Gender Equity Insights 2016* report prepared for WGEA:

*"The role model effect from seeing women on Boards gives powerful encouragement to talented women in management positions. Achieving gender balance in organisational governance structures is both reflective of, and can lead to, a broader recognition of equity and diversity in core business values. And there is strong evidence to show that improved gender diversity leads to better decision-making and business outcomes".<sup>92</sup>*

In 2015, the Australian Institute of Company Directors (AICD) partnered with the Government under its Diversity Scholarship program to increase its number of scholarships from 140 to 195. The scholarships assist women to navigate the path to directorship and connect them with like-minded peers.<sup>93</sup> The AICD reports that the number of female directors of ASX200 companies had increased to 23.6 per cent at 31 May 2016, up from 8.3 per cent in 2009. The AICD's target is for all ASX200 companies to have 30 per cent female directors by the end of 2018.<sup>94</sup>

The Government has set a target of women holding 50 per cent of Australian Government board positions, with each gender to hold a minimum of 40 per cent, and has strengthened its Board Links program which provides a database for Australian women to be considered for appointment to these boards. Board Links Champions promote the Government's gender diversity initiative and encourage female candidates to consider Australian Government board positions.<sup>95</sup>

### **Addressing unconscious bias and other discriminatory practices**

The Government is working to address unconscious bias and discrimination through legislative and non-legislative approaches. Unconscious bias and discrimination can contribute to gender segregation by acting as a structural barrier to women's workforce participation and career progression. Unconscious bias can lead employers to view people and roles in predetermined ways based on stereotypes, with decisions based on these views leading to inequity and loss of current and future capability.<sup>96</sup> In a practical sense, this could mean the association of leadership and managerial roles with masculine rather than feminine traits, resulting in men being perceived as a better fit for managerial roles and women displaying those 'masculine' traits receiving backlash from recruiters.<sup>97</sup> In other ways, it can mean bias against women who utilise flexible working

<sup>92</sup> WGEA/Bankwest Curtin Economics Centre (2016) *Gender Pay Equity Insights report*, p. 46.

<sup>93</sup> Australian Institute of Company Directors (AICD) website, [Board Diversity](#).

<sup>94</sup> AICD website, [Media release - 16 June 2016](#).

<sup>95</sup> Australian Government, [Board Links](#).

<sup>96</sup> Committee for Economic Development of Australia (2011) *Women in Leadership: Looking below the surface*, p. 9

<sup>97</sup> Committee for Economic Development of Australia (2013) *Women in Leadership: Understanding the gender gap*, pp. 9-10.

arrangements, resulting in, for example, being allocated unsatisfying work, losing opportunities for promotion, and colleagues' assumptions that women's priorities lie outside work.<sup>98</sup>

Legislative provisions prohibit discrimination in the workplace on the basis of sex, pregnancy and family and carer's responsibilities under the Fair Work Act, as well as federal, state and territory anti-discrimination laws. The Fair Work Act also provides protection from adverse action to employees who exercise their workplace rights, such as the right to take unpaid parental leave.

Awareness of unconscious bias is needed to complement legislative provisions that prohibit discriminatory practices. The *Australian Public Service Gender Equality Strategy* sets out actions for driving performance and boosting productivity across the Australian Public Service. A key output is to consider practices that hinder workforce participation and career progression of women, and to develop and implement solutions to counter these practices, including by addressing unconscious bias:

*"Agencies will review their recruitment, retention, and performance management practices to drive gender equality. This includes building organisational capability to address unconscious bias, committing to appropriate gender balance on selection panels, all panels asking '50/50—if not, why not?' for gender balance in shortlisting processes, and ensuring learning and development opportunities are appropriate and equitable".<sup>99</sup>*

Highlighting and addressing unconscious bias based on gender in industries and occupations where males or females predominate is critical to reducing industrial and occupational gender segregation. In April 2016, the Government announced a pilot mentoring program which will match senior female leaders in the building and construction industry with female newcomers to support them in their pursuit of long-term and rewarding careers in this traditionally male-dominated industry. Delivered by Master Builders Australia, the program will run over 12 months in New South Wales and Tasmania, with funding of \$250,000 from the Government.

On 2 August 2016, WGEA launched the *women's work | men's work: great careers are for everyone* campaign. The campaign profiles a number of men and women working in non-traditional fields, such as men working in nursing and early childhood and women working in architecture and engineering, to encourage job seekers to consider opportunities in non-traditional fields and encourage greater gender diversity across industries.

### ***Promoting gender pay equity***

#### ***Raising awareness of gender equality***

WGEA is driving cultural change by working closely with larger employers (with 100 or more employees) and raising awareness of the gender pay gap and the importance of gender equality in Australian workplaces.

The *Workplace Gender Equality Act 2012* (Cth) provides a formal framework for all Australian non-public sector employers with 100 or more employees to report annually on their gender equality performance. The main objectives of the Act are to promote gender equality, support employers to remove barriers to the full and equal participation of women in the workforce and promote the elimination of discrimination in the workplace on the basis of gender. WGEA's role is to advise and assist employers in promoting and improving gender equality in the workplace. WGEA's programs include a focus on improving pay equity outcomes for women.

<sup>98</sup> Law Council of Australia (2012) *National Attrition and Re-engagement Study (NARS report)*, p. 76.

<sup>99</sup> Australian Government, *Balancing the Future: Australian Public Service Gender Equality Strategy 2016-19*, APSC, p. 11.

In 2015, the Government made changes to gender reporting under the Workplace Gender Equality legislation to make sure that the reporting requirements are effective and useful for businesses in assessing their gender equality performance and driving change at the local level.

WGEA also assists employers to drive gender equality in their organisations through various programs and educational resources. A wealth of resources are available to employers on the WGEA website, including a gender strategy toolkit for organisations to diagnose performance, set goals and build a gender equality strategy. WGEA also recognises excellence in gender equality via its Employer of Choice for Gender Equality Citation, for which reporting organisations that actively promote gender equality in their workplaces can apply. The criteria for the citation include addressing gender remuneration gaps and providing flexible work arrangements, among others, as strategies to achieve gender equality.

#### *Legislation to support equal pay*

Under the equal remuneration provisions in the Fair Work Act, the Fair Work Commission can consider whether male and female workers performing work of equal or comparable value are paid differently. The Commission may make an Equal Remuneration Order to ensure that there is equal remuneration for work of equal or comparable value. The Commission made an order under these provisions in May 2011, when the Full Bench found that gender had been important in creating the gap between pay in the social, community and disability services industry and pay in comparable state and local government employment. Further decisions in 2011 and 2012 set out the amount of wage increases to be applied, and the process for applying the wage increases.

#### *Legislation to facilitate increased retirement savings for women*

The Government recognises the retirement savings gap faced by women, and its superannuation reforms, to take effect from 1 July 2017, will assist women to save more. Under the *Treasury Laws Amendment (Fair and Sustainable Superannuation) Act 2016* (Cth), the Government is replacing the Low Income Superannuation Contribution with the Low Income Superannuation Tax Offset to support low income earners to save for retirement by ensuring that they do not pay more tax on their contributions than their take-home pay. In addition, the Government will allow unused concessional caps to be carried forward to enable people with superannuation balances below \$500,000 to make 'catch up' contributions. Eligibility for individuals to claim a tax offset for contributions made to their low income spouse's superannuation will also be extended.

## Attachment A

**Case Study: Information Communication and Technology (ICT) Occupations**

In the last two decades, the number of women working in ICT occupations has risen, however the number of men working in the same occupations has generally risen faster. This means that in many occupations, women have a smaller share of employment than they did 20 years ago.

**Table 1: Female share and employment growth in selected ICT-related occupations<sup>100</sup>**

Occupations	Female employment share (%)		Female employment growth (1996-2016)	Female employment level (2016)	Total employment level (2016)
	1996	2016	('000)	('000)	('000)
Software and Applications Programmers	19.9	18.7	8.1	18.1	97.1
ICT Managers	12.9	20.5	9.4	10.8	52.8
ICT Support Technicians	50.0	21.4	-1.5	11.1	52.0
Graphic and Web Designers, and Illustrators	45.9	44.8	14.1	23.2	51.8
Database and Systems Administrators, and ICT Security Specialists	19.8	21.1	4.9	8.7	41.0
Electronics Trades Workers	6.1	4.2	-0.5	1.3	30.4
ICT Business and Systems Analysts	19.8	25.1	3.5	6.5	25.8
Telecommunications Trades Workers	2.4	4.0	0.2	0.9	23.3
Computer Network Professionals	18.8	14.7	0.9	3.4	22.9
ICT Sales Assistants	69.0	38.4	-2.4	6.8	17.8

ABS (November 2016) *Labour Force, Australia, Detailed, Quarterly*, cat. no. 6291.0.55.003, four quarter average of original data.

There are many possible reasons for the rising gender segregation in ICT. For example, the Australian Computer Society found that around one fifth of women had encountered discrimination when applying for ICT positions, and almost 40 per cent noted that a male-dominated working environment had affected their career advancement.<sup>101</sup> Such male-dominated cultures, real or perceived, can make ICT occupations less attractive for women and increase the number of women leaving ICT roles for jobs in different areas.<sup>102</sup>

Gender norms, biases and stereotyping about 'women's work' also contribute significantly by reducing the supply of potential women for ICT jobs. These factors gradually reduce the numbers of girls and women interested in ICT beginning in primary school, through to university, where only 13 per cent of Information Technology bachelor graduates and one in four postgraduates are women, and ultimately into the workforce.<sup>103</sup>

<sup>100</sup> There is no standard definition of an ICT occupation because in practice ICT roles exist across a range of industry and occupation groups. As such, major 'ICT-related' occupations from the 'Australian Bureau of Statistics Alternate View' have been included in this table. For more, see ABS (2009) *ANZSCO - Australian and New Zealand Standard Classification of Occupations*, First Edition, Revision 1, cat. no. 1220.0.

<sup>101</sup> Australian Computer Society (2015) *Australia's Digital Pulse*.

<sup>102</sup> Professionals Australia (2015) *The slower track: 2015 Women in the STEM professions survey report*.

<sup>103</sup> Australian Government (2016) *Women in Stem: A Story of Attrition Datasheet*, Office of the Chief Scientist.

**Attachment B**

**Table 2: Average Weekly Ordinary Time Earnings, Full Time Adults by Industry, Original, May 2016**

<b>Industry</b>	<b>Persons \$</b>	<b>Male \$</b>	<b>Female \$</b>
Mining	2,597.3	2,659.5	2,162.6
Financial and insurance services	1,822.9	2,129.9	1,486.5
Information media & telecommunications	1,806.5	1,932.2	1,554.6
Professional, scientific & technical services	1,746.5	1,912.4	1,463.2
Electricity, gas, water & waste services	1,734.3	1,780.8	1,566.8
Education & training	1,640.6	1,780.8	1,563.2
Public administration & safety	1,571.1	1,618.6	1,504.2
Transport, postal & warehousing	1,549.9	1,598.8	1,338.5
Construction	1,502.9	1,534.7	1,238.2
Wholesale trade	1,456.9	1,530.8	1,257.2
Health care & social assistance	1,440.9	1,733.4	1,321.9
Rental, hiring & real estate services	1,369.4	1,546.1	1,165.4
Arts & recreation services	1,368.4	1,484.6	1,198.7
Manufacturing	1,363.8	1,408.4	1,189.5
Administrative & support services	1,283.1	1,335.2	1,212.6
Other services	1,185.1	1,227.3	1,110.6
Retail trade	1,114.9	1,163.4	1,048.6
Accommodation and food services	1,069.8	1,112.5	999.6
Total all industries	1,516.0	1,613.5	1,352.1

ABS (May 2016) *Average weekly earnings*, cat. no. 6302.0.

Attachment C

**Table 3: Total remuneration gender pay gap by industry (WGEA data)<sup>104</sup>**

Industry	2013-14 %	2014-15 %	2015-16 %
Financial and Insurance Services	36.1	35.0	33.5
Rental, Hiring and Real Estate Services	25.6	28.4	29.3
Construction	25.4	26.3	28.0
Professional, Scientific and Technical Services	27.9	27.3	27.5
Information Media and Telecommunications	25.4	23.3	23.5
Transport, Postal and Warehousing	22.6	21.4	21.9
Agriculture, Forestry and Fishing	21.6	20.9	21.8
Arts and Recreation Services	22.8	21.0	21.1
Electricity, Gas, Water and Waste Services	19.3	21.5	20.0
Retail Trade	17.6	15.5	16.2
Mining	17.2	17.6	15.8
Administrative and Support Services	23.0	20.7	14.8
Other Services	17.3	18.3	14.8
Health Care and Social Assistance	16.4	18.1	14.7
Manufacturing	14.9	14.1	14.2
Accommodation and Food Services	11.7	10.9	11.4
Public Administration and Safety	9.1	8.7	10.5
Wholesale Trade	11.6	10.5	10.0
Education and Training	9.6	9.3	9.4
<b>All industries</b>	<b>24.7</b>	<b>24.0</b>	<b>23.1</b>

WGEA (November 2016) *Australia's gender equality scorecard*.

<sup>104</sup> WGEA data covers approximately 40 per cent of the workforce (employees of reporting non-public sector organisations with 100 or more employees).