2

Setting the scene

The Australian scene

- 2.1 In August 2008, 57.8 per cent of Australian women aged over 15 years were in the workforce, which equated to 45.3 per cent of the labour force.¹ For women 25 to 54 years of age, there is about 75 per cent participation.² From 1994 to 2008, there was a 41 per cent increase in female employment and 42 per cent increase in hours worked compared to a 29 per cent increase in male employment with 22 per cent increase in hours worked over the same period.³
- 2.2 In August 2007, the average mean earning from all jobs for women was \$680 per week (compared to \$1022 for male employees) partly reflecting women's greater participation in part time employment. On a comparison of full time employment earnings, women on average earned \$910 per week and men earned \$1131 weekly.⁴
- 2.3 The New South Wales Office of Women's Policy stated that:

The aggregate gender earnings gap revealed in a November 2008 comparison between full time male and female rates was 17%,

¹ Australian Bureau of Statistics, 2008, Labour Force Australia, August 2008, Catalogue No. 6202.0, ABS Canberra.

² Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, p. 2.

³ Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, pp. 2-3.

⁴ Department of Families, Housing, Community Services and Indigenous Affairs, 2008, *Gender Earning differentials in Australia: A statistical overview of women's earnings*, unpublished p. 3.



widening to 35% when total earnings, including those from parttime work, were taken into account.⁵

Figure 2.1 Gender pay gap using AWE total earnings - weekly and hourly⁶

Source ABS *Average Weekly Earnings* (Cat. No.6302.0) and ABS *Labour Force, Australia, Detailed, Quarterly*, May 2008 (Cat. No.6291.0.55.003), original data.

2.4 In 2007, women in Australia earned only 83.9 per cent of the dollar earned by males for full time ordinary time earnings.⁷ Prior to 2007, the gap between male and female average earnings remained relatively constant.⁸

In May of this year Australia's gender pay gap stood at 16.2 per cent for weekly earnings and is around 11 per cent of hourly earnings. The gap declined from 1985 to 2001 but has recently increased slightly.⁹

2.5 There was a significant increase in women's earnings relative to males with the introduction of equal pay for private sector non-managerial employees.¹⁰ Dr Meg Smith showed that pay equity ratios for private

- 6 Department of Education, Employment and Workplace Relations, Submission No. 58, p. 7.
- 7 Human Rights and Equal Opportunity Commission, 2007 It's About Time Women, men, work and *family Final Paper 2007*, p. 80.
- 8 Fisher G (2007) *Pay Equity Time to Act,* Queensland Industrial Relations Commission, September 2007, p. 2.
- 9 Ms Sandra Parker, Group Manager, Workplace Relations Policy Group, Department of Education, Employment and Workplace Relations, *Transcript of Evidence*, 18 September 2008, p. 1.
- 10 Department of Families, Housing, Community Services and Indigenous Affairs, 2008, *Gender Earning differentials in Australia: A statistical overview of women's earnings*, unpublished p. 21.

⁵ New South Wales Office of Women's Policy; *Submission No. 153*, p. 3 citing Australian Bureau of Statistics, *Average Weekly Earnings Australia*, Cat No. 6302.0, November 2008, Table 1.

sector non-managerial employees decreased rapidly prior to 1974 but have slowed since then:



Figure 2.2 Gender pay equity ratios 1967 – 2006 (Hourly Rates, Total earnings)¹¹

Source M. Smith, 2008, 'Pay Equity principles and future agenda'. Paper presented to Women's Business – Current issues and future agendas Forum, Women and Work Research Group, University of Sydney, 7 March 2008.

¹¹ Smith M, 2008, 'Pay Equity principles and future agenda'. Paper presented to Women's Business – Current issues and future agendas Forum, Women and Work Research Group, University of Sydney, 7 March 2008, see also The National Pay Equity Coalition and the Women's Electoral Lobby Australia Inc, Submission No. 118, Attachment 1, p. 42.



Figure 2.3 Gender wage gap over time: Female earnings as a proportion of male weekly earnings

Source Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender Earning differentials in Australia: A statistical overview of women's earnings, unpublished, p. 21.¹²

Income distribution

- 2.6 The increase in the gender pay gap can in part be attributed to the growth in women's wages over the last decade not keeping pace with the growth in male wages.¹³ There have been two contributing factors in that women are not increasing their representation at the top of the income distribution and the growth in women's employment has been in part-time work.¹⁴
- 2.7 It has been suggested that higher salaries and promotional opportunity for men derive:

... from the continuance of the 'male breadwinner myth' in Australia, such that management assumes that men will have longer careers than women, who inevitably leave the workforce to rear children.¹⁵

- 13 Associate Professor Siobhan Austen, Transcript of Evidence, 5 November 2008, p. 17.
- 14 Associate Professor Siobhan Austen, *Transcript of Evidence*, 5 November 2008, p. 15.
- 15 National Council of Women of Australia Inc Ltd, Submission No. 37, p. 3.

¹² Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender Earning differentials in Australia: A statistical overview of women's earnings, unpublished p. 21, citing Reserve Bank of Australia, Australian Economic Statistics 1949-50 to 1996-97 Occasional Paper No. 8, Table 4.18 and Table 4.20 <<u>http://www.rba.gov.au/Statistics/op8_index.html</u>>, ABS 6302.0 Table 2, Average Weekly Earnings, Australia (Dollars) Seasonally adjusted. Figure 2.3 shows overlapping series as no single series is available.

2.8 The Victorian Trades Hall Council commented that the:

... basis of gender pay equity is very simple: it is about valuing skills. All the other things like lack of career progression, parental responsibility, breaking from the workforce and not having super hang off that. I think the essential heart of it is valuing the work that women do in a way that has the gender bias off. There are a number of mechanisms to do that.¹⁶

100% 95% 90% 85% 80% 75% P10 P20 P25 P30 P40 P50 P60 P70 P75 P80 P90

Figure 2.4 Wage relativity across the distribution (EEH Full-time non-managerial 2006)

Source Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender earning differentials in Australia: A statistical overview of women's earnings, presentation, September 2008, unpublished.

- 2.9 There was greater disparity in women's wages relative to men's wages at higher wage levels. Discussions about the gender pay gap often focus on the undervaluation of work in female dominated professions, however, there is a need to address issues for professional women as well. Factors that can impact on these discrepancies include demand within industries, productivity levels and competition within and between industries.¹⁷
- 2.10 Associate Professor Siobhan Austen commented that:

... a positive recent trend has been the substantial growth in women's employment (albeit from a low base) in the occupational

¹⁶ Ms Barbara Jennings, Women's Office, Victorian Trades Hall Council, *Transcript of Evidence*, 2 April 2009, p. 77.

¹⁷ Chamber of Commerce and Industry of Western Australia, Submission No. 72, p. 11.

categories of managers, professionals and associate professionals ... it leaves open questions about why the growth in women's employment in relatively high paid occupations – managers and professionals – hasn't resulted in greater wage equality at the top of the earnings distribution.¹⁸

2.11 The New South Wales Office for Women's Policy commented that:

Men's and women's relative wages also differ across the income spectrum. In a recent analysis of data from the Household, Income and Labour Dynamics in Australia (HILDA) survey, Baron and Cobb-Clark found that while the difference between men's and women's wages was statistically significant at all points along the wage distribution, 'the gender wage gap is much larger among high wage workers, particularly in the private sector'. While for low paid workers, wage-related characteristics appeared to be significant in explaining these inequities, the largely unexplained basis for the earnings gap among high wage earners suggested the persistent prevalence of glass ceilings ... We recognise that different factors are likely to drive gender pay differentials in different parts of the labour market.¹⁹

2.12 The National Council of Women of Australia concurred describing the glass ceiling as effectively 'unbreakable in many organisations' and noting that salaries of women executives is below that of males.²⁰ EOWA reported that a survey of the top 200 companies listed on the Australian Stock Exchange that:

earnings of female chief financial and chief operating officers were on average 50 per cent lower than males;

female chief executive officers earned 67 per cent of the salaries of their counterparts; and

women occupied 7 per cent of positions within the top five executive positions in companies.²¹

¹⁸ Associate Professor Siobhan Austen, Submission No. 126, pp. 9-10.

¹⁹ New South Wales Office for Women's Policy, Submission No. 153, p. 10 citing Baron J and Cobb-Clark D, Occupational Segregation and the Gender Wage Gap in Private- and Public-Sector Employment: A Distributional Analysis, Institute for the Study of Labour, Discussion Paper number 3562, June 2008.

²⁰ National Council of Women of Australia Inc Ltd, Submission No. 37, p. 5.

²¹ National Council of Women of Australia Inc Ltd, Submission No. 37, p. 5 citing EOWA, 2008, Gender Income Distribution of Top Earners in ASX200 Companies Report – 2006 EOWA census of women in leadership, 24 January 2008.

2.13 The Association of Professional Engineers, Scientists and Managers Australia listed the barriers to career progression as:

... the impact of family responsibilities, conditions of employment, flexible hours of work, workplace culture, labour market cycles, workforce retention of women, the seniority of women in professions, the existence of discrimination and more.²²

- 2.14 A survey conducted by the Australian Institute of Management NSW and ACT found that participation levels for females were highest in the support staff and lowest at the chief executive levels.²³ More pertinently, the gender wage gap is highest for managers and professionals.²⁴
- 2.15 Group Training Australia stated:

Issues of the value of work underpin both horizontal and vertical segregation of occupations. Vertical segregation prevents women accessing highly paid positions. This may be through barriers to career progression and/or work undertaken being undervalued when set against the occupation hierarchy. Horizontal segregation can provide a negative impact on women's earnings as areas of work in which women are predominantly employed are viewed as unskilled, subject to deskilling strategies and undervalued.²⁵

2.16 EOWA commented that the gap is less for low-wage minimum and award workers, however:

... the gap increases as women have more professional roles and higher salaries. So different interventions and different actions are required across the landscape to ensure that all women are able to achieve what they are entitled to – equal pay.²⁶

²² Ms Erin Wood, Director, Professional Services and National Women's Coordinator, Association of Professional Engineers, Scientists and Managers Australia, *Transcript of Evidence*, 2 April 2009, p. 47.

²³ Australian Institute of Management NSW and ACT, Submission No. 51, p. 6.

²⁴ Mr Michael Gerrity, Assistant Director, Australian Bureau of Statistics, *Transcript of Evidence*, 13 November 2009, p. 4.

²⁵ Group Training Australia, Submission No. 45, pp. 10 - 11.

²⁶ Ms Anna McPhee, Director, Equal Opportunity for Women in the Workplace Agency, *Transcript of Evidence*, 26 September 2008, p. 21.



Figure 2.5 Gender differences in workforce composition - participation levels of females at job levels

Source Adapted from Australian Institute of Management NSW and ACT, Submission No. 51, p. 6.

2.17 The Australian Institute of Management NSW and the ACT considered the population of females that occupy certain job families to be equally important:

If you look at job levels with the gender pay differences ... the pay differences vary from seven to 18 per cent ... in job families that are seen by the community as mainly female, the pay differences are lower; so in support staff, the pay difference is seven per cent. But it is interesting that even in support staff, men are earning more than women. If you come up to chief executive officer positions, the pay difference is 18 per cent ... So, in the five families – chief executive, senior management, other management, professional and technical, and support staff – we see pay differences of up to 18 per cent.²⁷

2.18 Only 8 per cent of chief executive positions in the survey were occupied by females and where the CEO is female it is more likely to be a not for

²⁷ Dr Jennifer Alexander, Chief Executive Officer, Australian Institute of Management New South Wales and Australian Capital Territory, *Transcript of Evidence*, 26 September 2008, p. 2.

profit area which are assumed to pay lower salaries.²⁸ In the area of support staff two thirds are female.²⁹



Figure 2.6 Average female earnings relative to male earnings by job level.

States and territories

2.19 Work and Family Policy Roundtable demonstrated that:

Whilst there has been little movement in the national pay gap over the last decade or so, at the state level there have been divergent experiences with women in Victoria, South Australia and Western Australia losing ground relative to women elsewhere.³⁰

Source Adapted from Australian Institute of Management NSW and ACT, Submission No. 51, p. 6.

²⁸ Dr Jennifer Alexander, Chief Executive Officer, Australian Institute of Management New South Wales and Australian Capital Territory, *Transcript of Evidence*, 26 September 2008, pp. 2-3, 5.

²⁹ Dr Jennifer Alexander, Chief Executive Officer, Australian Institute of Management New South Wales and Australian Capital Territory, *Transcript of Evidence*, 26 September 2008, p. 3.

³⁰ Work and Family Policy Roundtable, Submission No. 143, p. 6.





Source Based on Table from Work and Family Policy Roundtable, Submission No. 143, p. 6.





Source Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender Earning differentials in Australia: A statistical overview of women's earnings, presentation, September 2008, unpublished.

2.20 The gender pay gap in Western Australia has been higher than other states and has been increasing over the last two decades.³¹ Men's average weekly ordinary time earnings in 2007 in WA were 35.9 per cent higher than for women, compared to 28.6 per cent a decade ago.³²

³¹ Ms Jenness Gardner, Manager, Pay Equity Unit, Department of Commerce, Western Australian Government, *Transcript of Evidence*, 26 February 2009, p. 1.

³² Chamber of Commerce and Industry of Western Australia, Submission No. 72, p. 5.

2.21 Part of this disparity can be attributed to a more than 50 per cent of the increase in female participation in the WA workforce in the last two decades has been part time work, and women now comprise more than 73 per cent of the part time work force.³³ Further, in WA 88 per cent of women in the workforce are employed in service oriented industries, which have lower pay rates than resources, manufacturing and construction industries.³⁴

Public sector

Parliamentary legislators

2.22 Internationally, 18.5 per cent of parliamentary legislators were women³⁵ and this has increased from 16.3 per cent in 2005.³⁶ In Australian legislatures, the range is 19 per cent in the Western Australian Legislative Assembly to 44 per cent in the Western Australian Legislative Council:

	Lower House				Upper House			
	Male	Female	%М	%F	Male	Female	%M	%F
Federal	110	40	73	27	49	27	64	36
ACT	10	7	59	41	-	-	-	-
NSW	68	25	74	27	29	13	69	31
NT	-	-	-	-	17	8	68	32
QLD	-	-	-	-	62	31	67	33
SA	27	18	60	40	16	6	72	27
TAS	17	8	68	32	13	8	62	38
VIC	60	28	68	32	26	13	67	33
WA	48	11	81	19	19	15	56	44

 Table 2.1
 Female representation in state, territory and federal parliaments in Australia³⁷

Source Compilation from websites.

33 Chamber of Commerce and Industry of Western Australia, Submission No. 72, p. 7.

- 34 Chamber of Commerce and Industry of Western Australia, *Submission No.* 72, p. 8.
- 35 Women in National Parliaments: World and Regional Averages as at 30 September 2009 at <u>http://www.ipu.org/wmn-e/world.htm</u> accessed on 13 November 2009.
- 36 International Parliamentary Union Annual Report, figure given as at 1 January 2008.
- 37 Federal jurist diction has a House of Representatives and a Senate; ACT has a Legislative Assembly; NT and QLD have Legislative Councils; and NSW, SA, TAS, VIC, WA have both a Legislative Assembly and a Legislative Council.

Australian Public Service - Federal

- 2.23 The public sector has outstripped the private sector in terms of wage gains over the last decade.³⁸
- 2.24 Women comprise 57 per cent of Australian Public Service (APS) employees and 20 per cent of the Senior Executive Service within the APS.³⁹
- 2.25 The Australian Public Service Commission (APSC) conceded that the median remuneration for women is lower than that for men at all levels except the APS4 level and attributed this to longer median lengths of service for males.⁴⁰ The longer service of males was attributed to slower promotion rates, the recent recruitment of a greater number of women and the interruption of women's service because of family commitments.⁴¹ Recruitment in Australian police forces support this observation, where the average length of service for men is 14 years and the average for women is 7 years.⁴² This gap is expected to decrease over the next decade.⁴³
- 2.26 Promotion rates of women were overall higher than men, however, the APSC found that women taking maternity leave have 'on average lower rates of promotion compared to women who have never taken maternity leave at least in the short to medium term'.⁴⁴ Flexible working arrangements are available in most areas of the APS.⁴⁵

³⁸ Work and Family Policy Roundtable, Submission No. 143, p. 6.

³⁹ Mr Stephen Jones, National Secretary, Community and Public Sector Union, *Transcript of Evidence*, 26 September 2008, p. 67.

⁴⁰ Ms Nicole Pietrucha, Group Manager, Better Practice, Australian public Service Commission, *Transcript of Evidence*, 16 October 2008, pp. 1-2; Australian Public Service Commission, *Submission No. 102*, p. 2. At the APS4 level there was no difference in length of service between males and females.

⁴¹ Australian Public Service Commission, Submission No. 102, pp. 3-4.

⁴² Mr Mark Burgess, Chief Executive Officer, Police Federation of Australia, *Transcript of Evidence*, 23 October 2008, p. 2.

⁴³ Ms Nicole Pietrucha, Group Manager, Better Practice, Australian public Service Commission, *Transcript of Evidence*, 16 October 2008, p. 12.

⁴⁴ Ms Nicole Pietrucha, Group Manager, Better Practice, Australian public Service Commission, *Transcript of Evidence*, 16 October 2008, p. 2; Australian Public Service Commission, *Supplementary Submission* 102.1, p. 8.

⁴⁵ Ms Nicole Pietrucha, Group Manager, Better Practice, Australian Public Service Commission, *Transcript of Evidence*, 16 October 2008, pp. 5, 15; Australian Public Service Commission, *Submission No. 102*, pp. 8-9.

Local government

- 2.27 Local government is Australia's largest employer and considerable work has been done in this sector to increase the participation of women in the workforce.⁴⁶ Twenty nine per cent of elected representatives are women, 20 per cent are professionals, and women comprise 41 per cent of the workforce.⁴⁷ The New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union attributed some of the increased proportion in the number of women working in local government to the decline in employment in some male dominated areas.⁴⁸
- 2.28 Some of the barriers to women entering local government were identified as time demands, balancing public and private life, lack of career structures and part time work in senior positions and limited training opportunities in some areas.⁴⁹ Australian Local Government Training referred to home-based work policies, flexible working hours, women on selection panels, priority childcare and support when returning from maternity leave as possible improvements.⁵⁰ Job sharing may alleviate some of this pressure.⁵¹
- 2.29 The Local Government Association of Queensland noted that there was no overt gender discrimination in terms of specific jobs but that the indoor workforce was predominantly female.⁵² The City of Whitehorse reported that vehicles were allocated to the occupations that were male dominated but this was not explicable in terms of the type of work performed.⁵³
- 46 Australian Local Government Training, Women in Local Government An overview of current literature identifying the role and participation of women in Local Government, October 2007, pp. 1-12; Local Government Association of NSW, Submission No. 57, pp. 1-2; Kiama Municipal Council, Submission No. 66, pp. 1-2; Mr Robert Wallace, Human Resources Manager, Local Government Association of South Australia, Transcript of Evidence, 6 November 2009, p. 50; Port Stephens Council, Submission No. 48, p. 1.
- 47 Australian Local Government Training, *Women in Local Government An overview of current literature identifying the role and participation of women in Local Government*, October 2007, p. 3.
- 48 The New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union, *Submission No. 140*, p. 5.
- 49 Australian Local Government Training, *Women in Local Government An overview of current literature identifying the role and participation of women in Local Government*, October 2007, p. 6.
- 50 Australian Local Government Training, *Women in Local Government An overview of current literature identifying the role and participation of women in Local Government*, October 2007, p. 8.
- 51 Mr Howard Oorloff, Manager, Organisation Development Department, City of Greater Geelong, *Transcript of Evidence*, 24 October 2008, p. 13.
- 52 Mr Tony Goode, Director, Workforce and Organisational Services, Local Government Association of Queensland, *Transcript of Evidence*, 31 March 2009, p. 37.
- 53 Ms Pauline Bennett, Manager, Organisation Development City of Whitehorse, *Transcript of Evidence*, 24 October 2008, p. 7.

2.30	The New South Wales Local Government, Clerical, Administrative,
	Energy, Airlines and Utilities Union stated that:

State award negotiations have contributed to increased gender equity in NSW local government. Indeed census data from 1986 and 2001 suggests that the gap between male and female full-time earnings was reduced in NSW local government from approximately 18.4% to 4.4%.⁵⁴

2.31 In 2004, in NSW there was a reduction in working hours for community services personnel to align with the male dominated professionals such as engineers, health and building surveyors and town planners:⁵⁵

The win marked the turning point by giving community services professionals the same level and status as professionals in male dominated areas of local government.⁵⁶

- 2.32 The New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union noted that 'while some advances have been made, occupational segmentation remains very high in local government'.⁵⁷ The Australian Services Union referred to the Ergon case study in which 'an "attraction and retention" wage increase was applied to the whole of the Technical Stream and denied to the Administrative Stream'.⁵⁸ The occupational areas which are predominantly women are secretarial/personal assistants, receptionist and general clerical, childcare and libraries.⁵⁹
- 2.33 Australian Local Government Training was of the view that little has changed since 1996 notwithstanding the introduction of the National Framework for Women in Local Government in 2001.⁶⁰

⁵⁴ The New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union, *Submission No.* 140, p. 3.

⁵⁵ The New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union, *Submission No.* 140, p. 4

⁵⁶ The New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union, *Submission No. 140*, p. 5.

⁵⁷ The New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union, *Submission No.* 140, p. 1.

⁵⁸ Ms Jo Justo, National Industrial Officer, Australian Services Union, *Transcript of Evidence*, 31 March 2009, p. 63.

⁵⁹ The New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union, *Submission No.* 140, p. 6.

⁶⁰ Australian Local Government Training, *Women in Local Government An overview of current literature identifying the role and participation of women in Local Government*, October 2007, pp. 4-5.

Trends in the gender pay gap

- 2.34 The Victorian Women's Trust referred to systemic discrimination, which is indirect and therefore much harder to deal with than direct discrimination as it reflects 'pervasive, entrenched and often unconscious values and accepted practices' which result in women being paid less than men.⁶¹
- 2.35 While age and level of experience and length of years of service in the profession may have an impact in relation to pay equity, this is not found equally across the professions.⁶² Different outcomes in different professions may reflect variation in a number of factors including access to further education, nature of employment opportunities, labour market supply and demand.⁶³ An example was given of geologists having higher medium total packages because of the supply and demand factors but also the union published information for members on market rates.⁶⁴



Figure 2.9 Distribution of women's earnings by full and part-time employment Status, August 2008

Source ABS, Employee Earnings, Benefits and Trade Union Membership, Australia, August 2008, (6310.0)

- 61 Victorian Women's Trust, Submission No. 123, p. 1.
- 62 Ms Erin Wood, Director, Professional Services and National Women's Coordinator, Association of Professional Engineers, Scientists and Managers Australia, *Transcript of Evidence*, 2 April 2009, p. 49.
- 63 Ms Erin Wood, Director, Professional Services and National Women's Coordinator, Association of Professional Engineers, Scientists and Managers Australia, *Transcript of Evidence*, 2 April 2009, p. 50.
- 64 Ms Erin Wood, Director, Professional Services and National Women's Coordinator, Association of Professional Engineers, Scientists and Managers Australia, *Transcript of Evidence*, 2 April 2009, p. 53.

Age trends

2.36 There is little or no gender gap for younger workers under the age of 30 with the difference manifesting later in life.⁶⁵ The participation rate of Australian women of child bearing age is ranked 20 out of 30 OECD countries.⁶⁶ The participation rate of mothers with dependent children is lower than the average rate and increases significantly with the age of the youngest child:

The participation rates for women aged 30-34 years and 35-39 years are considerably lower than those of their younger counterparts, reflecting the increased tendency for women to have children while in these child bearing age cohorts.

To illustrate, the participation rates for women aged 30-34 years and 35-39 years stood at 71.8 per cent and 71.6 per cent respectively in June 2008. Further, a considerable proportion of employed women in these cohorts work part-time (41.4 per cent and 48.5 per cent respectively) as they balance work and caring responsibilities. In this regard, it is worth noting that the participation rates for mothers in the labour force have also risen considerably over recent decades. The participation rate for all mothers in families with dependent children (aged 0-14 years) has increased significantly, from 57.1 per cent in June 1994 (earliest available comparable data) to 66.3 per cent in June 2008.⁶⁷

2.37 Work and Family Policy Roundtable stated that in 'recent years [there has also been] a sharp drop in the full-time employment participation of women after the age of 29 and a shift away from full-time employment by women aged 35-44' and noted the risks associated with part time employment in terms of poor hourly wages and casualisation.⁶⁸

⁶⁵ Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, p. 19.

⁶⁶ Department of Education, Employment and Workplace Relations, Submission No. 58, p. 23.

⁶⁷ Department of Education, Employment and Workplace Relations, Submission No. 58, p. 22.

⁶⁸ Work and Family Policy Roundtable, *Submission No.* 143, p. 7 citing Preston A and Jefferson T, 2007, 'Trends in Australia's Gender Wage Ratio', *Journal of Labour and Industry* 18(2): 69-84.



Figure 2.10 Labour force participation rate by gender and age, March 2009⁶⁹

2.38 Both men and women have relatively low participation rates for young people because of the number of students and for the older age groups because of retirements, health issues and or disability.⁷⁰ There is a drop in labour force participation rate for women between the ages of 20-24 years and 45-54 years relative to men. This has been attributed to caring for children, other caring and household responsibilities and the effect is more pronounced for lone mothers.⁷¹ Labour force participation for Indigenous women increases between 25 and 44 years of age but is lower overall than non-Indigenous women.⁷²

Source Labour Force Australia, Detailed – Electronic delivery, March 2009. ABS (6291.0.55.001)

⁶⁹ Australian Bureau of Statistics, 2008, *Labour Force Australia*, Cat No. 6291.0.055.001. ABS, Canberra.

⁷⁰ Office for Women, 2009, *Women in Australia 2009*, Department of Families, Housing and Community Services and Indigenous Affairs, Released 19 March 2009, Chapter 3, p. 2.

⁷¹ Office for Women, 2009, *Women in Australia 2009*, Department of Families, Housing and Community Services and Indigenous Affairs, Released 19 March 2009, Chapter 3, pp. 2-3.

⁷² Office for Women, 2009, *Women in Australia 2009*, Department of Families, Housing and Community Services and Indigenous Affairs, Released19 March 2009, Chapter 3 pp. 4-5 citing Australian Bureau of Statistics, *Labour force Characteristic of Aboriginal and Torres Strait Islander Australians* 2007, Cat No. 6287.0, ABS, Canberra, Table 2.



Figure 2.11 Age (2007 EEBTUM) Full time earnings in main job

- Source Department of Families, Housing, Community Services and Indigenous Affairs, Gender Earning differentials in Australia: A statistical overview of women's earnings, presentation, unpublished
- 2.39 There are many older women wishing to work or working more hours and if women leave the workforce to undertake caring responsibilities or because of illness they are not returning to the work.⁷³
- 2.40 BPW Australia stated:

Despite laws to the contrary, I can say as a woman of 64 years that no one wants to <u>hire</u> a woman who is over 50 years old, regardless of experience, background, or education. In many ways this is illogical, as by 50 a woman usually has grown children, is more confident, has less home ties, and is more reliable. I was fortunate enough to work in my industry, in a casual position, until last year when I chose to retire, but I know so many women in the corporate world who would not be able to find another job if they were retrenched from the position that have. Yes, it is discrimination, but if a woman complains she is "sour grapes", because she wasn't good enough for the job.⁷⁴

⁷³ Associate Professor Siobhan Austen, Transcript of Evidence, 5 November 2008, p. 23.

⁷⁴ BPW Australia, Submission No. 117, p. 4.

2.41 The Sex Discrimination Commissioner commented that poverty should not be the reward for a life of caring and in Australia, poverty has a female face.⁷⁵ Research has shown that in South Australia, the most common residential arrangement for women over 65 years is living alone and 97.6 per cent are in retirement.⁷⁶ Single elderly females households have a greater risk of poverty than other household categories⁷⁷ with women comprising 73 per cent of the recipients of the single aged pension.⁷⁸

Education levels

2.42 Australia is ranked first in the world in terms of educational attainment⁷⁹ and women's labour force participation increases with education level. Notwithstanding women's improved educational qualifications over the last 25 years:

The fact that women's share of income stalled at 37% somewhere in the mid 1990s tells part of the story about the failure thus far to achieve an equitable distribution of economic outcomes. Further insights can be achieved by looking at the quintile-distribution of men's and women's incomes ... Women are over-represented in the lowest income quintiles and under-represented in the highest quintiles. In 2005/6, for example, 25% of women were in the bottom quintile while only 11% of women were in the top quintile. The pattern for men was opposite: 29% of men were in the top quintile and only 15% were in the bottom quintile.⁸⁰

2.43 Research has shown that gender equity in the distribution of income has not been achieved by increasing tertiary education rates.⁸¹ The New South Wales Office for Women's Policy concluded that:

> Where gender pay differentials affect decisions regarding how to share work and care ..., it is ... arguable that the investment made in women's human capital in Australia is failing to be fully

⁷⁵ Commissioner Elizabeth Broderick, Sex Discrimination Commissioner, Australian Human Rights Commission, *Transcript of Evidence*, 1 April 2009, pp. 5, 10.

⁷⁶ Ms Debra King, Mapping the Life-Course Experiences of SA Men and Women in the Labour Market, Workforce Development Consortium, National Institute of Labour Studies, Flinders University, May 2007, pp. 19, 26.

⁷⁷ Commissioner Elizabeth Broderick, Sex Discrimination Commissioner, Australian Human Rights Commission, *Transcript of Evidence*, 1 April 2009, p. 5.

⁷⁸ Ms Somali Cerise, Senior Policy and Research Officer, Australian Human Rights Commission, *Transcript of Evidence*, 1 April 2009, p. 13.

⁷⁹ World Economic Forum, 2009, The Global Gender Gap Report, p. 63.

⁸⁰ Associate Professor Siobhan Austen, Submission No. 126, pp. 2-3.

⁸¹ Associate Professor Siobhan Austen, Transcript of Evidence, 5 November 2008, p. 15.

captured. While Australia performs well in educating young women, keeping those skills within the labour market is more difficult. According to the World Economic Forum's 2008 Gender Gap Index, out of 130 countries Australia ranked number 1 on women's educational attainment, but number 40 on women's labour force participation. This represents a significant leakage of resources from the formal Australian economy.⁸²

2.44 The National Institute of Labour Studies commented that women on average have higher levels of education than men with more degrees, diplomas and advanced diplomas.⁸³ Women's increased level of education has not been reflected in equality in earnings and career progression:

Women ... are participating in higher education in greater numbers than men and are higher performers in many areas, (to the extent some claim boys are now unduly disadvantaged) and yet pay inequity still persists at the professional/executive level as well as in low paid jobs.⁸⁴

2.45 Women have fewer years of labour force experience and fewer years of job tenure but there is not much difference in the mean number of years:

there are unobservables, as economists would say, in the package of skills and abilities that men bring to a job that is tied up with their working longer hours, gaining on-the-job experience and getting preferential treatment for the formalised on-the-job training that entrenches their advantage. Women swim upstream, as American researchers have said, in trying to equalise those differences. I am not willing to dismiss it entirely on the basis of formal qualifications, but it could be that it is the field of education that matters and that there will be differences within broad postsecondary qualifications that are not detected in this analysis that might contribute to explaining why the premium for highly skilled men over lower skilled men is greater than is the case for women.⁸⁵

2.46 The National Centre for Vocational Education Research commented that in relation to the equity of certificates which match skills levels:

⁸² New South Wales Office for Women's Policy, *Submission No. 153*, p. 13 citing World Economic Forum, 2008, *The Global Gender Gap Report*, p. 38.

⁸³ Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, pp. 6-7.

⁸⁴ Australian Education Union, *Submission No.* 76, p. 7.

⁸⁵ Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, pp. 13-14.

That does not really mean that these things equate through to the labour market, because typically what will happen is that people will get paid what the labour market thinks they are worth, and that is obviously affected by things like supply and demand, the extent to which that occupation is regulated and so on.⁸⁶

- 2.47 The example was given of a building boom where electricians can demand higher wages but nurses work in a government funded sector where wages are regulated.⁸⁷ Many nurses are still on award conditions particularly in the aged care sector which is about \$250 per week lower than those working in a comparable sector.⁸⁸
- 2.48 The lowest levels of participation in the paid workforce and the lowest continuity of employment are women with no post school education.⁸⁹

Highest level of educational attainment	Labour force participation rates (%)
Postgraduate	83.0
Graduate diploma/certificate	82.3
Bachelor degree	79.1
Advanced diploma/Diploma	71.1
Certificate level	73.7
Year 12	64.9
Year 11	59.5
Year 10	50.6
Year 9	33.3
Year 8 and below	14.6

Table 2.2Labour force participation rates for women aged 15 years and above by highest level of
educational attainment, 2006%

Source Australian Bureau of Statistics, 2006, Census of Population and Housing

86 Dr Thomas Karmel, Managing Director, National Centre for Vocational Education Research, *Transcript of Evidence*, 6 November 2009, p. 23.

- 87 Dr Thomas Karmel, Managing Director, National Centre for Vocational Education Research, *Transcript of Evidence*, 6 November 2009, p. 24.
- 88 Ms Geraldine Kearney, Federal Secretary, Australian Nursing Federation, *Transcript of Evidence*, 24 October 2008, p. 25.
- 89 Associate Professor Siobhan Austen, *Transcript of Evidence*, 5 November 2008, p. 16.
- 90 Office for Women, 2009, *Women in Australia 2009*, Department of Families, Housing and Community Services and Indigenous Affairs, Released 19 March 2009, Chapter 3, p. 4 citing Australian Bureau of Statistics, 2006, *Census of Population and Housing*.

University graduates

2.49 Education and professional status does not provide women with protection from pay inequity.⁹¹ In 2008, for graduates of Bachelor degrees, the median commencement salaries of females was 95.7 per cent of that for males.⁹²

Research by GradStats has shown that women graduates start their career on the back foot, earning in 2007 on average \$42,000 a year compared to \$45,000 for their male colleagues.⁹³

Figure 2.12 Median annual starting salaries for Bachelor graduates by selected fields of study and gender 2008



Source Adapted from National Centre for Vocational Education Research Ltd, Submission No. 35, Student Outcomes Survey 2007

- 2.50 Only in Earth Science, Engineering and Social work were women graduates paid more than their male counterparts.
- 2.51 In science in 2007 the gender pay gap persisted within all levels of responsibility ranging from 7.9 to 18 per cent.⁹⁴ Further, an Association of

⁹¹ Ms Noor Blumer, Chair, Equalising Opportunities in the Law Committee, Law Council of Australia, *Transcript of Evidence*, 18 June 2009, p. 2.

⁹² Office for Women, 2009, *Women in Australia 2009*, Department of Families, Housing and Community Services and Indigenous Affairs, 19 March 2009, Chapter 2, p. 8 citing Graduate Careers Australia, 2008, *Gradstats*, *No. 13*.

⁹³ South Australian Government, Submission No. 124, p. 5 citing GradStats Number 12, December 2007, <<u>http://www.graduatecareers.com.au/content/download/3464/14502/file/</u>%20GradStats%202007.pdf

Professional Engineers, Scientists and Managers salary survey found that the lower the median base salaries were in scientific disciplines, the higher the proportion of women working and that women were mostly at the lower responsibility level positions.⁹⁵

- 2.52 Graduate salaries for females in architecture and building were 88.4 per cent of male salaries but in computer science female salaries were 104.7 per cent of male salaries.⁹⁶
- 2.53 Equal Employment Opportunity Network of Australasia noted that teaching and nursing are highly unionised professions. Interestingly nursing was still considered a caring profession and has not been able to achieve the same pay levels as teaching.⁹⁷
- 2.54 In the legal profession the number of female law graduates exceeds the number of male graduates but men are earning \$7000 to \$8000 more than women in the first few years.⁹⁸ Women are exiting the industry earlier than men and there is a clustering of women in the lower paid end of the profession.⁹⁹ Further women barristers remain 'significantly underrepresented in court appearances, particularly at senior levels and in more complex matters' and 'women appear to continue to be significantly disadvantaged in their earning capacity and career progression as barristers'.¹⁰⁰
- 2.55 The Law Council of Australia added that:

In 2007, 56% of Australian law graduates were women who tended to also feature disproportionately among top graduates. In terms of the demographics of the practising profession women now constitute about 38% overall of Australian legal practitioners.¹⁰¹

⁹⁴ Association of Professional Engineers, Scientists and Managers, Submission No. 121, p. 3.

⁹⁵ Association of Professional Engineers, Scientists and Managers, Submission No. 121, pp. 3-4.

⁹⁶ Mr Mark Roddam, Assistant Secretary, Department of Education, Employment and Workplace Relations, *Transcript of Evidence*, 18 September 2008, p. 14.

⁹⁷ Equal Employment Opportunity Network of Australasia, Submission No. 85, p. 3.

⁹⁸ Ms Noor Blumer, Chair, Equalising Opportunities in the Law Committee, Law Council of Australia, *Transcript of Evidence*, 18 June 2009, p. 2.

⁹⁹ Ms Noor Blumer, Chair, Equalising Opportunities in the Law Committee, Law Council of Australia, *Transcript of Evidence*, 18 June 2009, p. 4.

¹⁰⁰ The Victorian Bar, Submission No. 141, pp. 11, 13.

¹⁰¹ Law Council of Australia, *Submission No. 144*, p. 6 citing Australian Broadcasting Corporation Radio National *Women in Corporate Law Firms* Law Report, 3 June 2008 transcript from http://www.abc.net.au/m/lawreport/stories/2008/2262012.htm.

2.56	Further there was a gender pay gap of 17.1 per cent between male and
	female median annual salaries for postgraduates in full time
	employment. ¹⁰²

2.57 National Pay Equity Coalition and the Women's Electoral Lobby Australia Inc reported a study of PhD graduates where:

> Female graduates worked to a greater extent in academic teaching and in advising or mentoring students, while male graduates worked to a greater extent in undertaking research, managing and supervising others and product development ... There were no significant gender differences for the areas of knowledge used in the job.¹⁰³

Vocational Education and Training

- 2.58 A similar picture emerges with Vocational Education and Training graduates. 794 200 women were enrolled in VET courses in 2007, 47.7 per cent of students.¹⁰⁴ In 2007, women comprised 33 per cent of all apprentices and trainees in-training, largely in the areas of clerical, sales and service workers occupational groups.¹⁰⁵
- 2.59 Compared to Canada, which has a higher female participation rate than Australia, Australia was below average in terms of women with vocational related qualifications or Type B post secondary qualifications.¹⁰⁶ Associate Professor Siobhan Austen concluded that 'Australia's low female employment could be due to lack of adequate post-school educational opportunities outside the traditional university sector':¹⁰⁷

Given that the labour market participation of women is important to both gender equity and levels of equity across groups of

- 104 Office for Women, 2009, *Women in Australia 2009*, Department of Families, Housing and Community Services and Indigenous Affairs, 19 March 2009, Chapter 2, p. 10.
- 105 Office for Women, 2009, Women in Australia 2009, Department of Families, Housing and Community Services and Indigenous Affairs, 19 March 2009, Chapter 2, p. 11; see also Group Training Australia, Submission No. 45, p. 9.

107 Associate Professor Siobhan Austen, Submission No. 126, p. 8.

¹⁰² Office for Women, 2009, Women in Australia 2009, Department of Families, Housing and Community Services and Indigenous Affairs, 19 March 2009, Chapter 2, p. 9 citing Australian Bureau of Statistics, Average Weekly Earnings, August 2008, Cat No. 6302.0, Canberra, 2008, Table 2.

¹⁰³ The National Pay Equity Coalition and the Women's Electoral Lobby Australia Inc, Submission No. 118, p. 22 citing The Influence of PhD Experience on Women's Academic Careers, June 2008 Associate Professor Maryanne Dever, Associate Professor Warren Laffan *et al*, University of Queensland.

¹⁰⁶ Associate Professor Siobhan Austen, *Transcript of Evidence*, 5 November 2008, p. 16; Associate Professor Siobhan Austen, *Submission No. 126*, p. 8.

women, it is important that better understandings of the opportunities for post-school education and training available for young women are developed, and that the role of these opportunities in creating employment pathways for women over the life course be fully explored.¹⁰⁸

2.60 In Australia, qualifications for many women's professions have been moved to the university sector such as teaching and nursing. A gender pay gap persists for recent graduates of the VET system:

When it comes to valuing work, skill descriptors in the form of competency standards yield very different pay outcomes. Under the vocational education and training (VET) system, a Certificate III is notionally aligned to a base trade level outcome yet men and women holding the same certificate level receive very different pay outcomes. So for example, in food processing, a process worker may attain a Certificate III but is unlikely to be paid the same as a metal worker with the same certificate level. What preserves and reinforces the relativities between fe/male dominated jobs are the entrenched value judgements about skill embedded in industrial awards, wage fixation systems and the attitudes and beliefs of those who implement them.¹⁰⁹

2.61 Pay and conditions for trades people and apprentices are regulated by the same industrial instruments. Group Training Australia (GTA) commented on the lack of logic in applying different apprenticeship percentages in trades which have the same trade rate and the different rule in relation to allowances paid.¹¹⁰ GTA made the point that in 'most instances the basic rate of pay for a tradesperson is the same regardless of whether they are working in female or male dominated occupations'.¹¹¹ There are, however, 'significant difference in the range and amount of allowances paid in male dominated industries compared to their female counterparts'.¹¹²

¹⁰⁸ Associate Professor Siobhan Austen, Submission No. 126, p. 9.

¹⁰⁹ Victorian Women's Trust, Submission No. 123, pp. 2-3.

¹¹⁰ Group Training Australia, Submission No. 45, pp. 9-10.

¹¹¹ Group Training Australia, Submission No. 45, p. 9.

¹¹² Group Training Australia, Submission No. 45, p. 10.



Figure 2.13 Average full time salary of VET graduates 6 months after completing their training

2.62 The National Institute of Labour Studies found that 'men and women get unequal returns to the same kinds of qualifications and if this could be addressed then half of the gender pay gap could be eliminated:

> The remainder of the gender pay gap, about 0.12 of the 0.13 gap, is due to the fact that men and women receive different returns for the same observed characteristics. I have just looked at the data and I say that the differences in respect of formal qualifications are clearly very important here. To give you just one example, men with diplomas and advanced diplomas receive a wage premium over men who have completed only year 10 or below, equal to about 29 per cent. For women, the same wage premium is 16 per cent. Similar differences operate across the other types of education—it is true of bachelor degrees, it is true of certificates. Men get a very significant relative premium for getting certificate level qualifications compared with women.¹¹³

Source National Centre for Vocational Education Research Ltd, Submission No. 35, p. 13, Table 9, Student Outcomes Survey 2007

¹¹³ Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, p. 7.

Women with disabilities

2.63 There are over two million women in Australia with a disability which is about 10 per cent of the population.¹¹⁴

Women with disabilities are less likely to be in paid work than other women, men with disabilities or the population as a whole. They are less likely than their male counterparts to receive vocational rehabilitation or entry to labour market programs, are less likely to receive a senior secondary and/or tertiary education. Women with disabilities earn less than disabled men, are in the lowest income earning bracket ...¹¹⁵

2.64 Women With Disabilities Australia (WWDA) made the point that:

There has been virtually no improvement in the unemployment rate and/or labour participation rate of women with disabilities since 1997, in stark contrast to the improvements made for disabled men, non-disabled men and non-disabled women in the same period.¹¹⁶

- 2.65 Seventy one per cent of women with disabilities now complete Year 10 or higher in secondary education but this success has not been reflected in employment outcomes with participation and remuneration rates lower than that for men with disabilities.¹¹⁷ Ms Susan Salthouse called for research into the employment assistance available for women with disabilities seeking work who have higher levels of education.¹¹⁸
- 2.66 WWDA also suggested the introduction of disability awareness programs in workplaces because although people do not intentionally discriminate, issues can arise through lack of awareness.¹¹⁹

Children

2.67 The Australasian Institute of Mining and Metallurgy listed barriers to equitable participation as:

¹¹⁴ Women With Disabilities Australia, Submission No. 44, p. 8.

¹¹⁵ Women With Disabilities Australia, Submission No. 44, p. 8.

¹¹⁶ Women With Disabilities Australia, Submission No. 44, p. 16.

¹¹⁷ Women With Disabilities Australia, Submission No. 44, p. 16.

¹¹⁸ Ms Susan Salthouse, Vice-President, Women With Disabilities Australia, *Transcript of Evidence*, 4 June 2009, p. 2.

¹¹⁹ Ms Susan Salthouse, Vice-President, Women With Disabilities Australia, *Transcript of Evidence*, 4 June 2009, p. 4.

... lack of acceptance of flexible work practices and the tools to enable implementation of that in a credible way; the lack of systematic approaches to return-to-work arrangements after maternity and, again, the lack of tools to implement that; the gender pay gap in mining and, I suppose, in most industries and the lack of tracking of that data; the issues around informal networking and the barriers that they can pose to equitable participation; the lack of a clear understanding of just how much it impacts and of more approaches within companies to deal with that; from a policy point of view, child care not being available at the times when it is needed where it is needed and also being very costly; and, finally, the lack of consistency of the government policy and in corporate paid parental leave.¹²⁰





Source Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender Earning differentials in Australia: A statistical overview of women's earnings, Presentation September 2008, unpublished

¹²⁰ Ms Monika Sarder, Manager, Policy and Advocacy, Australasian Institute of Mining and Metallurgy, *Transcript of Evidence*, 2 April 2009, p. 59.

- 2.68 Women may 'trade off pay rates and seniority for greater flexibility to allow them to fulfil their caring responsibilities'.¹²¹ Wages are only part of the equation and other considerations such as the availability of child care must be taken into account.
- 2.69 Associate Professor Siobhan Austen suggested that Western Australia does not support women wishing to work full time because in that state men work longer hours than in the other states and women work shorter hours.¹²² Occupational segregation is crucial in understanding pay equity and part time work may be the only option available to women because of the current social structure where women undertake to majority of family responsibilities.¹²³
- 2.70 Relative to other OECD countries, a high proportion of part time and casual employees in Australia are women. The National Council of Women of Australia commented that casual employment has a negative impact on gender equality through limiting the 'development of skills, provides workers with no long-term security to plan and contributes to a wider degrading of wages and conditions.¹²⁴
- 2.71 It has been suggested that in Australia that demographic features are less important than work factors:

Baron and Cobb-Clark, using a semi-parametric methodology to break the distribution of the gender wage gap into its separate components, found that educational qualifications and demographic characteristics are generally unimportant in explaining the gender wage gap in Australia (based on HILDA data from 2001 to 2006). Further, Grimshaw and Rubery (2007) found that workplace factors like where one works, how jobs are valued and how payment systems are designed are increasingly found to explain more of the gender pay gap than characteristics of individual employees.¹²⁵

¹²¹ Commissioner Elizabeth Broderick, Sex Discrimination Commissioner, Australian Human Rights Commission, *Transcript of Evidence*, 1 April 2009, p. 2.

¹²² Associate Professor Siobhan Austen, Transcript of Evidence, 5 November 2008, p. 25.

¹²³ Associate Professor Siobhan Austen, Transcript of Evidence, 5 November 2008, pp. 26-27.

¹²⁴ National Council of Women of Australia Inc Ltd, *Submission No. 37*, p. 4 citing May R, Campbell I and Burgess J, 2005, 'The rise and rise of casual work in Australia: Who benefits, who lose?' Paper presented to seminar on the *IR Changes Report Card*, University of Sydney, 20 June 2005.

¹²⁵ Department of Consumer and Employment Protection, Government of Western Australia, Submission No. 134, p. 7 citing Baron J D and Cobb-Clark, DA, 2008, Occupational Segregation and the Gender Wage Gap in Private- and Public-Sector Employment: A Distributional Analysis. Discussion Paper No. 3562. Institute for the Study of Labor, Bonn, Germany pp. 1, 10; and

Industries and occupations

- 2.72 Australia has the most segregated workforce in the OECD.¹²⁶ New South Wales Office for Women's Policy commented that gender segregation in the Australian workforce is a significant cause of pay inequity coupled with the undervaluation of work performed by women.¹²⁷ Social factors such as workforce choices, ability to work long hours and to seek promotion are also involved.¹²⁸
- 2.73 Work and Family Policy Roundtable observed that 'gender pay ratios vary markedly between industries, occupations and regions.'¹²⁹
- 2.74 The Australian Council of Trade Unions and the Joint State Peak Councils stated that the high level of gender segregation 'has resulted in women in female dominated occupations and industries earning up to 40% less than women in male dominated occupations and industries' and this is an increasing trend.¹³⁰ The Australian Education Union added:

Australia exhibits one of the strongest gender segregated labour markets. Seen especially amongst what some call 'the five c's' are the female dominated low paid occupations/industries – caring, clerical, 'cashiering' (retail), cleaning, and catering. Within these low paid areas there is also a lower level of permanent employment and union membership. Without the ability to bargain collectively and with strength, these employees are heavily reliant on centralised wage fixing and are award dependant.¹³¹

2.75 The National Institute of Labour Studies has found:

... that industry structure is really important in explaining the gender pay gap. Why this should be the case is a bit of a mystery to an economist, because our models are traditionally set up in a

Grimshaw D & Rubery J, 2007. *Undervaluing women's work*. Working Paper Series No. 53, European Work and Employment Research Centre, University of Manchester , Manchester: Equal Opportunities Commission, p. viii.

- 126 Ms Barbara Jennings, Women's Office, Victorian Trades Hall Council, *Transcript of Evidence*, 2 April 2009, p. 78. Gender segregation in the workforce refers to the uneven distribution of women and men, and the concentration of women in certain industries and occupations.
- 127 New South Wales Office for Women's Policy, Submission No. 153, p. 14.
- 128 Ms Sally Moyle, Branch Manager, Office of Women, Department of Families, Housing, Community Services and Indigenous Affairs, *Transcript of Evidence*, 25 September 2008, p. 3.
- 129 Work and Family Policy Roundtable, Submission No. 143, p. 7.
- 130 Australian Council of Trade Unions and Joint State Union Peak Councils, *Submission No. 125*, p. 5. See also Pocock B and Alexander M (1999). 'The Price of Feminised Jobs: New Evidence on the Gender Pay Gap in Australia', *Labour and Industry*, *10*(2), pp. 75-100.

¹³¹ Australian Education Union, Submission No. 76, p. 7.

way that makes the assumption that what really matters is human capital differences, differences in education and experience and age and other things that flow from that. This modelling and other similar analyses tell us that the industry in which you end up working is also important independently of human capital ... if we could redistribute women into the same proportions of industries as we currently find men, then this would also make a significant inroad into closing the gender pay gap. Based on the magnitudes in our analysis, the change would be more important than other initiatives like getting more women into the higher education system or into full-time jobs. Industry structure really matters...¹³²

2.76 Economic growth has been in the traditionally male dominated industries.¹³³ For instance, since 2005 the mining industry has grown at a rate four per cent faster than other industries while the hospitality industry has grown at a rate three per cent slower than other industries.¹³⁴ However:

Traditionally we would expect that, with that disparity in pay, more women might volunteer to do those types of qualifications and make themselves available for highly paying jobs, but we do not see that happening.¹³⁵

2.77 The Australian Chamber of Commerce and Industry cautioned that there needs to be a distinction in the use of medians and trend data in comparing women's wages to men's, which does not reflect substantial changes for a small sector of the labour market:

... there have been spectacular increases in wage levels in some male-dominated industries (such as mining) that are difficult for workers across the economy to 'catch'. Wages in these industries are being driven by extreme labour market scarcities, rapid expansion of facilities and the need to attract and retain skilled employees in remote localities. Clearly, other sectors of the economy are not going to keep pace with the mining and resources sectors. To the extent that this is feeding into the gender

¹³² Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, p. 8.

¹³³ Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, p. 15.

¹³⁴ Australian Council of Trade Unions (ACTU) and Joint State Union Peak Councils, *Submission No.* 125, p. 5.

¹³⁵ Mr Joshua Healy, Research Assistant, National Institute of Labour Studies, Flinders University, *Transcript of Evidence*, 6 November 2008, p. 16.

pay gap, it needs to be taken into account and it needs to be recognised that it is not sustainable for any policy recommendations targeted at the broader economy to attempt to chase mining sector wages.¹³⁶

Table 2.3Gender pay gap by industry, full time adult ordinary time weekly earnings, Australia,November 2008.

	Full time adult ordinary time earnings: Females (\$)	Full time adult ordinary time earnings: Males (\$)	Percentage pay gap
Mining	1547.90	2030.30	23.8
Manufacturing	983.30	113.40	13.2
Electricity, Gas and Water Supply	1225.10	1438.10	14.8
Construction	1060.80	1205.30	12.0
Wholesale Trade	969.50	1144.30	15.3
Retail Trade	826.80	916.80	9.8
Accommodation, Cafes and Restaurants	775.10	876.80	11.6
Transport and Storage	942.30	1176.20	19.9
Communication Services	1093.90	1244.20	12.1
Finance and Insurance	1169.30	1746.10	31.9
Property and Business Services	1076.40	1415.50	24.0
Government Administration and Defence	1176.50	1269.20	7.3
Education	1163.30	1304.30	10.8
Health and Community Services	973.90	1377.40	29.3
Cultural and Recreational Services	1027.30	1236.10	16.9
Personal and Other Services	972.20	1213.00	19.9
All Industries	1032.00	1244.10	17.0

Source ABS, Average Weekly Earnings, Australia, November 2008 cat no. 6302.0 cited in New South Wales Office for Women's Policy, Submission No. 153, p. 6.¹³⁷

136 Australian Chamber of Commerce and Industry, Submission No. 84, p. 14.

137 A recent inquiry into financial services in the United Kingdom also found that the largest pay gap was in this industry. Equality and Human Rights Commission, *Financial Services Inquiry*, September 2009, p. 108.

2.78 In situations of skills shortages and if the market was working effectively, there should be less of a pay gap.¹³⁸ The Victorian Trades Hall Council added that:

In the work that we are doing, regardless of whether we are a man or a woman or whether we are working in a blue-collar industry, in a white-collar industry or as a teacher, the skills that we require to do that job have an economic value. If there is a disparity in the economic value, which clearly there is – we obviously all know that there is a huge disparity in what people are being paid – it comes back down to an assessable unit of competency. Where there are large levels of competency, there should be equal remuneration.¹³⁹



Figure 2.15 Participation rates of males and females within job families¹⁴⁰

Source Adapted from Australian Institute of Management NSW and ACT, Submission No. 51

2.79 The Australian Institute of Management found that on average females earn less than their male counterparts within all job families.¹⁴¹ Female

¹³⁸ Mr Matthew Drinan, Manager, Research and HR Consulting, Australian Institute of Management New South Wales and Australian Capital Territory, *Transcript of Evidence*, 26 September 2008, p. 11.

¹³⁹ Ms Barbara Jennings, Women's Office, Victorian Trades Hall Council, *Transcript of Evidence*, 2 April 2009, p. 78.

¹⁴⁰ Australian Institute of Management NSW and ACT, Submission No. 51, p. 3.

¹⁴¹ Australian Institute of Management NSW and ACT, Submission No. 51, p. 5.

participation rates were higher within the administration and human resource job families.¹⁴²

- 2.80 Work currently being undertaken by FAHCSIA is indicating pay gap difference in wage setting arrangements and different occupations and industries.¹⁴³
- 2.81 In relation to occupation and industrial segregation, the Diversity Council Australia commented that:

Women are over-represented in lower-paid industries (e.g. health, community services, service sector) and lower-paid occupations (e.g. over half of all employed women are concentrated in two occupations - clerks and sales and personal service workers), and under-represented in higher paid occupations (e.g. of the top 200 companies listed on the Australian Stock Exchange, only one CEO is a woman).¹⁴⁴

2.82 There needs to be recognition of the fact that a narrow gender pay gap may reflect relatively low increases for men rather than improved pay arrangements for women.¹⁴⁵

¹⁴² Australian Institute of Management NSW and ACT, Submission No. 51, p. 3.

¹⁴³ Ms Sally Moyle, Moyle, Group Manager, Office of Women, Department of Families, Housing, Community Services and Indigenous Affairs, *Transcript of Evidence*, 20 August 2009, p. 7.

¹⁴⁴ Diversity Council Australia, *Submission No. 110*, p. 8 citing EOWA web-site. Available at: http://www.eowa.gov.au/About_Equal_Opportunity/Key_Agenda_Items/Inequities_in_W orkforce_Participation.asp

¹⁴⁵ Work and Family Policy Roundtable, Submission No. 143, p. 7.

	Male		Fem	Female	
	(\$)	(%)	(\$)	(%)	(%)
Managers	37.50	4	30.50	2	18.7
Professionals	36.70	18	32.20	24	12.3
Technicians and Trades	25.80	21	20.60	4	20.2
Community / Personal Service	24.60	8	20.40	17	17.1
Clerical / Administrative	25.90	11	21.80	30	15.8
Sales Workers	21.20	9	18.40	12	13.2
Machinery Operators / Drivers	23.10	14	19.10	2	17.3
Labourers	20.40	16	17.50	9	14.2
TOTAL	26.50	100	23.70	100	10.6

Table 2.4	Gender pay gap (non-managerial adults) by occupation - hourly ordinary time rates of
pay and pro	portions of employees (May 2006)

Source ABS Employee, Earnings and Hours (Cat. No.6306.0), unpublished data.¹⁴⁶

2.83 The Department of Education, Employment and Workplace Relations concluded that:

... gender pay gaps by industry ranged from 1.1 per cent for accommodation, cafes and restaurants to 24.7 per cent for Finance and insurance. Gender pay gaps were below the 'all industries' gap in only three industries. This indicates that there is also considerable labour market segmentation by industry, as there was by occupation. There is no clear relationship between the size of the gender pay gap within an industry and the proportion of employees who are women. Gender pay gaps are high in male dominated industries such as mining, construction and electricity, gas and water supply but are also high in the female dominated industries of finance and insurance and health and community services. Overall, however, gender pay gaps tend to be higher in industries where the proportion of females is smaller.¹⁴⁷

¹⁴⁶ There is a low proportion of females in the relatively lower paid machinery operator/driver and labourer occupations. As such, the gender pay gap for all occupations is lower than it would be if males and females were evenly distributed among the occupations.

¹⁴⁷ Department of Education, Employment and Workplace Relations, Submission No. 58, p. 8.



Figure 2.16 Gender pay differences - The extent to which females earn less than their male counterparts in various job families.¹⁴⁸

Source Australian Institute of Management NSW and ACT, Submission No.51, p. 5.

2.84 When all industries are considered there is a 'weakly significant negative relationship between the degree of feminisation of an industry and female earnings as a proportion of men's'.¹⁴⁹ This, however, reflects the impact of the health and community services industry (discussed below).

¹⁴⁸ Australian Institute of Management NSW and ACT, Submission No. 51, p. 5.

¹⁴⁹ Department of Families, Housing, Community Services and Indigenous Affairs, 2008, *Gender Earning differentials in Australia: A statistical overview of women's earnings*, unpublished p. 14.



Figure 2.17 Gender earnings by industry, gender earnings relativity and degree of feminisation of workforce, November 2007¹⁵⁰ Average Weekly Earnings Full time adult ordinary time earnings

Source Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender Earning differentials in Australia: A statistical overview of women's earnings, unpublished p. 14.

2.85 The Queensland Government found that:

... industries with high female employment in Australia exhibit similar characteristics including: a high level of award only coverage; high levels of part-time work; low levels of unionisation and low levels of hourly earnings. These industries are accommodation, cafes and restaurants (58.3% women); cultural and recreational services (50.5% women); health and community services (78.6% women); personal and other services (47% women) and retail trade (51.4% women).¹⁵¹

2.86 Further, in Victoria it has been found that:

... those with relatively poor wages and conditions ... have had very short promotion ladders and provided only limited access to

¹⁵⁰ The size of the bubbles represents the number of women employed in the industry sector. Source ABS 6302.0 Tables 10A, 10D, Average weekly earnings, Industry, Australia (Dollars) Original Males, Females, Full-time Adult Ordinary Time Earnings, ABS 6291.0.55.003 E05_Aug 94, Employed Persons by Sex, Industry, Age, Status in Employment.

¹⁵¹ Queensland Government, 2006, *Progressing Pay Equity – An Inquiry* Submission to the Queensland Industrial Relations Commission, p. 19 cited in Australian Education Union, *Submission No. 76*, p. 22.

human capital enhancing training and education. The early employment experiences of many women may thus be a major factor inhibiting their labour market activities over their lifetimes. To the extent that these are reflected in gender earnings differentials, the occupational segregation of young women may be an important contributor to the maintenance of the gender earnings gap.¹⁵²

2.87 Western Australia has the higher gender pay gap and is also the State with the highest degree of industry segregation.¹⁵³ The sectors with the highest pay gaps are health and community services, property and business services, finance and insurance and the retail trade.¹⁵⁴

Figure 2.18 Female earnings as a percentage of male earnings by industry with the percent of female employment shown in the legend (Full time adult ordinary time earnings).



Source Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender Earnings differentials in Australia: A statistical overview of women's earnings, unpublished presentation, September 2008.

- 152 Whelan D, 2005, Advancing Pay equity their future depends on it. Report by the Victorian Pay Equity Working Party to the Minister for Industrial Relations, February 2005, p. 4 cited in Australian Education Union, *Submission No. 76*, p. 22.
- 153 Department of Consumer and Employment Protection, Government of Western Australia, *Submission No. 134*, p. 5.
- 154 Department of Consumer and Employment Protection, Government of Western Australia, *Submission No. 134*, p. 5.



Figure 2.19 Female earnings as a percentage of male earnings by major industry (Female full time adult ordinary time earnings as a percentage of male, Percent of female employment shown in legend).

Source Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender Earnings differentials in Australia: A statistical overview of women's earnings, unpublished presentation, September 2008.

2.88 The Office for Women commented that:

These "women's jobs" were historically assigned a lower value in terms of skill requirements and remuneration. Developments in job evaluation have demonstrated that many jobs conventionally occupied by women require levels of skills, responsibilities, task variation, and complexity similar to higher-paid jobs conventionally held by men.¹⁵⁵

This undervaluation of women's skills reflects a range of social, historical and industrial factors that have interfered with objective assessment of women's work. For example, women's skills are often viewed as natural attributes or social skills, rather than industrial or workplace skills. In addition, the criteria used by industrial tribunals to determine the value of work performed, in

¹⁵⁵ Office for Women, Department of Families, Housing, Community Services and Indigenous Affairs, *Submission No. 112*, p. 11 citing Equal Employment Opportunity for Women in the Workplace, *Occupational Segregation*, James Cook University, http://www.jcu.edu.au/eo/women/JCUDEV_012168.html.

some cases have tended to assign more worth to features that are characteristic of work performed predominantly by men.¹⁵⁶

- 2.89 Figure 2.19 shows that the health and community services which has a predominantly female workforce and there is a different trend than the other major industries which a decline in female earnings relative to males. Further, preliminary research by the Department of Families, Housing, Community Services and Indigenous Affairs has shown that different patterns are emerging in relation to the EEBTUM surveys in terms of industry and occupations (Figures 2.20-2.21).
- 2.90 New South Wales Office for Women's Policy commented that:

Current data shows that women make up 76% of clerical and administrative workers and 70% of community and personal service workers. Conversely, women comprise 34% of managers and 14% of technicians and trades workers.¹⁵⁷

Figure 2.20 Employee Earnings, Benefits and Trade Union Membership Survey based on industry (Full Time adult earnings)



Source Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender Earnings differentials in Australia: A statistical overview of women's earnings, unpublished presentation, September 2008

¹⁵⁶ Office for Women, Department of Families, Housing, Community Services and Indigenous Affairs, *Submission No. 112*, p. 11 citing Department of Commerce, Office of Industrial Relations, NSW, *Work and Family*. http://www.workandfamily.nsw.gov.au/payequity/gap.html

¹⁵⁷ New South Wales Office for Women's Policy, *Submission No. 153*, p. 15 citing Industrial Relations Commission of NSW, Pay Equity Inquiry, Report to the Minister (Matter No. IRC6320 of 1997), Volume 2, p. 267.

Figure 2.21 Employee Earnings, Benefits and Trade Union Membership Survey (Full Time adult earnings) based on occupation



EEBTUM - Occupation

- Source Department of Families, Housing, Community Services and Indigenous Affairs, 2008, Gender Earnings differentials in Australia: A statistical overview of women's earnings, unpublished presentation, September 2008
- 2.91 Women in engineering, science and information technology, believed the median remuneration level was lower than for men with the same level of responsibility.¹⁵⁸ Further the New South Wales Office for Women's Policy made the point that:

... the majority of full time female employees are located in the industry sectors of health care and social assistance, education and training, retail trade, public administration and safety, and professional, scientific and technical services (a total of approximately 56% of all female full time employees). There are also a disproportionate number of part time female employees in the health care and social assistance, retail trade, accommodation and food services and education and training sectors, amounting to approximately 61% of all female part time employees.¹⁵⁹

2.92 These industries are predominantly female and the skills 'stereotypically labelled "female" include 'those relating to caring, communications and personal interaction (such as required for customer service) and aptitude for domestic labour associated with the accommodation/hospitality sector':

These skills have been systematically undervalued when compared to skill sets associated with work performed in male dominated industries such as transport and manufacturing. In

¹⁵⁸ Association of Professional Engineers, Scientist, Managers, Australia, Submission No. 121, p. 11.

¹⁵⁹ New South Wales Office for Women's Policy, Submission No. 153, p. 15.

some female dominated industries, this has meant that the work has been undervalued on a gender basis.¹⁶⁰

Table 2.5Female employment density by industry, Australia, February 2009

Industry	Industry composition: % female	% full time female labour force	% part time female labour force
Health care and social assistance	79.9	18.23	19.75
Education and Training	69.7	11.35	10.26
Retail trade	57.1	10.15	19.09
Accommodation and food services	56.2	5.11	11.68
Financial and insurance services	54	6.13	2.18
Administrative and support services	53.8	3.49	4.39
Rental, hiring and real estate services	50.5	2.09	1.46
Public administration / safety	46.8	8.71	3.41
Arts / recreational services	46	1.57	2.51
Other services	44.1	3.96	4.11
Professional, scientific and technical services	43.9	8	5.48
Information media / telecommunications	43.5	2.68	1.13
Agriculture, forestry / fishing	31.6	2.03	2.77
Wholesale trade	31.2	2.9	2.02
Manufacturing	26.8	7.12	3.56
Transport, postal / warehousing	24.6	3.16	2.75
Electricity, gas / water supply	20.3	0.91	*0.26
Mining	12.7	0.65	*0.16
Construction	11.5	1.75	3.03

Source Australian Bureau of Statistics, Australian Labour Market Statistics, February 2009, cat no 6105.0, Table 2.4, p. 50 (adapted)¹⁶¹

- 160 New South Wales Office for Women's Policy, Submission No. 153, p. 15.
- 161 New South Wales Office for Women's Policy, *Submission No. 153*, p. 15 citing Industrial Relations Commission of NSW, Pay Equity Inquiry, Report to the Minister (Matter No. IRC6320 of 1997), Volume 2, p. 267.

2.93 The difference is attributed to the fact that:

...various structural forms of discrimination exist for these women at the top, such as workplace practices that involve a mix of subjective performance evaluations, biased remuneration schemes, lack of mentors, and the all pervasive 'boys' network.¹⁶²

2.94 There is a need to redefine skills that are called 'personal attributes and aspects of performance', the types of skills acquired through experience.¹⁶³ Work currently being done in New Zealand is tracking levels of skills:

We have itemised nine particular under-recognised areas of skill and we have a big catalogue of activity descriptors whereby these skills can be recognised. That is now being used. We are just starting to roll it out in areas like the community sector, and using it to look at the identification of the skills of community sector workers. The New Zealand process is one whereby you can incorporate the outcomes of pay equity audits into multi-employer collective agreements or into single employer collective agreements for that matter.¹⁶⁴

2.95 The National Pay Equity Coalition and the Women's Electoral Lobby Australia Inc listed three key strategies to adopt in Australia as:

> a focus on the factor of gender occupational and industry segregation has given rise to educational and employment strategies to encourage women into non-traditional jobs and industries, and strategies to encourage and support women into management and executive roles within their organisations.

a focus on the undervaluation of skills in the kinds of work that most women do has given rise to strategies to change the way the industrial relations system values women's work, at the occupational and industry level.

a focus on the differential impact of awards and collective enterprise agreements on women has yielded strategies to ensure minimum award rates are maintained at an adequate level, and strategies to challenge the development of a system where pay

¹⁶² National Council of Women of Australia Inc Ltd, *Submission No.* 37, p. 5 citing Roth L, 2006, *Selling Women Short – Gender and money on Wall Street*, Princeton University Press.

¹⁶³ Dr Anne Junor, Transcript of Evidence, 26 September 2008, p. 63.

¹⁶⁴ Dr Anne Junor, Transcript of Evidence, 26 September 2008, p. 64.

increases are mainly achieved through enterprise or individual bargaining.¹⁶⁵

2.96 The NSW Office for Women commented that:

We recognise that different factors are likely to drive gender pay differentials in different parts of the labour market, and have instituted a broad range of policy responses to address these factors.¹⁶⁶

2.97 UnionsWA suggest that an investigation of the industries with the large pay gaps could assist in the identification of the underlying causes, and the remedies and strategies that could be implemented to address this.¹⁶⁷ Further the government provides assistance to many industry sectors and is therefore in a position to influence best practice.¹⁶⁸

The issue of continued gender wage inequality undermines fundamental values in our society which deems that discrimination is intolerable and unlawful. Failure to take measures to redress gender wage inequality ignores discrimination which not only results in Australia's economic loss but comes at a personal economic and social cost to women and their equal sharing of the benefits of our society.¹⁶⁹

¹⁶⁵ The National Pay Equity Coalition and the Women's Electoral Lobby Australia Inc, *Submission No. 118*, p. 10.

¹⁶⁶ New South Wales Office of Women's Policy; Submission No. 153, p. 5.

¹⁶⁷ Ms Simone McGurk, Assistant Secretary, UnionsWA, *Transcript of Evidence*, 5 November 2008, p. 34.

¹⁶⁸ Ms Simone McGurk, Assistant Secretary, UnionsWA, *Transcript of Evidence*, 5 November 2008, p. 34.

¹⁶⁹ Community and Public Sector Union State Public Services Federation Group, *Submission No.* 107, p. 24.