

Executive Summary

Australian men and women lead very different working lives. Men and women often do not work 'side by side'—but instead work in industries or occupations which are dominated by one gender or another. By international standards, we have a highly gender segregated workforce.¹

In 2015–16, six in 10 Australian employees worked in an industry which is dominated by one gender.² To put it another way, 60 per cent of Australian workers don't know what it is like to work in an industry with balanced gender representation. These figures have remained relatively constant over the last twenty years.

This outcome is much more than just a function of individual choices and actions. Patterns occur across industries and occupations because individuals' choices are constrained by a range of structural factors and social norms.

Caring responsibilities and the availability of flexible work restrict the range of roles that are available to women, and not all industries and workplaces are equally flexible. The uneven distribution of flexible and part-time employment opportunities funnels women into particular industries and sectors. Data from the Workplace Gender Equality Agency indicates that only five per cent of employees in male-dominated workplaces are part time,³ whereas only 35 per cent of employees in female-dominated industries are full time.

Additionally, expectations about traditional gender roles continue to shape choices for young men and women in schools, universities and vocational education. The data indicates enrolments continue to strongly reinforce gender expectations.

The resulting segregation is one of the major sources of the gender pay gap. Taken together, occupational and industrial gender segregation are the second most significant contributors to the pay gap between men and women, after sex discrimination.

As the ratio of male to female employees in an industry increases so, too, does the average wage. KPMG found that, for every 10 per cent increase in the ratio of men to women in an industry, the average wage increases by 1.9 per cent. For every 10 per

1 PwC, *Women in Work Index: Closing the Gender Pay Gap* (Australian edition), February 2017, <http://www.pwc.com.au/people-business/assets/pwc-2017-women-in-work-feb17.pdf> (accessed 26 May 2017).

2 WGEA, *Australia's Gender Equality Scorecard, Key findings from the Workplace Gender Equality Agency's 2015–16 reporting data*, November 2016, p. 11, https://www.wgea.gov.au/sites/default/files/80653_2015-16-gender-equality-scorecard.pdf (accessed 27 April 2017).

3 WGEA, *Submission 22*, p. 10.

cent increase in this ratio in an occupation, the average wage increases by 0.8 per cent.⁴

A woman working in a female-dominated industry would on average, earn almost \$40,000 less at total remuneration than the average full-time total remuneration of a man in a male-dominated industry.

The problem is particularly acute in occupations involving caring, such as childcare, in-home disability, aged care and education, where the nature of the work demands 'emotional labour'. Whilst these are essential skills for workers in the care economy, they are undervalued in the labour market.

Australia's gender pay gap has hovered between 15 and 20 percent for twenty years. The 'glass walls' that segregate Australian working men and women are as significant to this gap as the famed 'glass ceiling'.

The committee has made nine recommendations. These commence with a call for a leadership and coordination across government, to urgently deliver tangible, measurable action on pay equity. The committee also recommends reforms to the *Fair Work Act 2009* and Fair Work Commission to improve the mechanisms by which undervaluation of female-dominated work can be redressed. The committee recommends greater focus on the role of career guidance and counselling in Australia to provide both young men and women the broadest possible choices as they enter the workforce. Finally we consider a somewhat technical but nonetheless influential aspect of data collection and research that has significant implications for gender segregation in this country.

Globalisation and technological change are driving wholesale changes to both the structure of Australia's economy, and the jobs that are available to Australians. Without concerted, deliberate action, there is a significant risk that new opportunities will continue to reflect gendered patterns of work, and constrain full deployment of our collective capabilities. This report seeks to provide practical steps to deliver fairer workplaces and a more efficient, innovative economy.

Senator Jenny McAllister

Chair

4 KPMG, *She's Price(d)less, The Economics of the Gender Pay Gap*, Update report prepared for Diversity Council Australia and the Workplace Gender Equality Agency, October 2016, p. 11; Diversity Council Australia, *Submission 18.1*.