



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF  
REPRESENTATIVES**

STANDING COMMITTEE ON EMPLOYMENT AND  
WORKPLACE RELATIONS

**Reference: Pay equity and increasing female participation in the workforce**

FRIDAY, 3 APRIL 2009

MELBOURNE

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES



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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON EMPLOYMENT AND WORKPLACE RELATIONS**  
**Friday, 3 April 2009**

**Members:** Ms Jackson (*Chair*), Mr Haas (*Deputy Chair*), Ms Bird, Ms Hall, Mr Hayes, Mr Keenan, Mr Marles, Mr Ramsey and Mr Symon

**Members in attendance:** Mr Haas, Ms Jackson, Mr Ramsey, Mr Symon

**Terms of reference for the inquiry:**

To inquire into and report on:

Pay equity and associated issues related to increasing female participation in the workforce

That the Committee inquire into and report on the causes of any potential disadvantages in relation to women's participation in the workforce including, but not limited to:

- The adequacy of current data to reliably monitor employment changes that may impact on pay equity issues;
- The need for education and information among employers, employees and trade unions in relation to pay equity issues;
- Current structural arrangements in the negotiation of wages that may impact disproportionately on women;
- The adequacy of recent and current equal remuneration provisions in state and federal workplace relations legislation;
- The adequacy of current arrangements to ensure fair access to training and promotion for women who have taken maternity leave and/or returned to work part time and/or sought flexible work hours; and
- The need for further legislative reform to address pay equity in Australia.

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Committee met at 8.49 am

**BOWTELL, Ms Catherine, Senior Industrial Officer, Australian Council of Trade Unions**

**TKALCEVIC, Ms Belinda, Legal/Industrial Officer, Australian Council of Trade Unions**

**CHAIR (Ms Jackson)**—I declare our public hearing open. I welcome representatives of the Australian Council of Trade Unions to today's hearing. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses. We have received a written submission to this inquiry from you and a number of the state labour councils. Did you wish to present any additional submissions or to make an opening statement?

**Ms Bowtell**—Yes, I will. I first of all should apologise for the ACTU president Sharon Burrow's inability to be here today. She would have liked to have been here and she sends her apologies.

**CHAIR**—We may get her back here at some stage.

**Ms Bowtell**—I am sure she would really welcome the opportunity. Her diary is terrifically busy but she would love to appear before you.

I would not normally spend quite so long going through an introduction, but I think it is worth updating the committee, because a lot of our recommendations and thinking around this issue were directed towards reform in the industrial relations legislation and that, of course, has now occurred. I thought it would be useful to let you know what we think about the effectiveness of the provisions that have been introduced or how we think they will work in practice, and also what is outstanding and what we think can be done to address the gap in men's and women's earnings that you are examining.

If you think about our labour market, and in particular non-managerial employees—so I am leaving aside managerial workers and also non-employed labour—about 40 per cent of that workforce are currently covered by collective agreements; about another 40 per cent are covered by individual agreements of one sort or another—predominantly agreements that sit on top of the award; and there are about 20 per cent in the middle that are award dependent for their wages. Most of our recommendations went to the issue of how you adjust minimum wages, which is focused on that 20 per cent. I will talk about that and then the way we can deal with actual wages rather than minimum wages.

In respect to that minimum wage-fixing, the Fair Work Act does pick up the notion that, in setting minimum wages and in adjusting the new modern awards, Fair Work Australia will have regard to the principle of achieving equal or comparable equal pay for work of equal or comparable value. Having put that objective into the legislation, that enables but does not guarantee that minimum wages can be set and adjusted having regard to the need to look at gender differentials in pay. Fair Work Australia has the power to review those minimum wages. It has to do so every year. It can also do so on application by the Sex Discrimination Commissioner. It can also review the other safety net matters such as leave and hours of work and penalties and

those sorts of things—which are an enormous component of the actual differential in men’s and women’s wages—at any time on application if the application is based on a work value ground.

Those amendments to the legislation we think will provide an avenue for redress in relation to any ongoing differences in the minimum wage. But, of course, given that 80 per cent of people are not minimum wage dependent, that is where we really have to focus our effort. Fair Work Australia has been given very broad powers, not confined to an enterprise, to make remedial orders where there is a successful application that there is a lack of equal pay.

Again, we think that there is a lot of potential in this power. It is not based, as the previous equal remuneration provisions were in the Workplace Relations Act, on the external affairs power. It is not based on giving effect to ILO conventions, so it is not grounded in the need to prove discrimination. It is based on the Commonwealth power to make laws in respect to corporations and so, potentially, the types of cases that could be run under that provision of the act would be broader than those we have been able to run in the past. So we think that that is an opening but, again, not a guarantee.

There is assistance for low-paid workers to bargain collectively through facilitated bargaining. There is also a role for the inspectorate in investigating and prosecuting not only discrimination but any other breach of the act, which could include failure to provide equal pay.

Those are things that we think are significant improvements in the legislative framework from when we made our original submission. What we would say is outstanding now is to put some firepower behind those legislative reforms. In 1994 we first got equal remuneration provision at the national level. We have had no successful applications under those provisions. It is no good having a nice set of legislation sitting here but no enforcement of that legislation.

We think there are a couple of things that need to be done to ensure that there is some cultural and workplace change that arises from the enactment of these laws. You have to measure it. If you do not measure it, you cannot work out how to fix it, and we do not measure it at firm level and we do not measure it properly at national level either. In our submission we have suggested a couple of things.

We have suggested that in workplace bargaining the requirement to provide information that is relevant to bargaining should include a requirement to provide a gender pay analysis at firm level. We have suggested more generally, outside the scope of bargaining, that there be mandatory audits of the gender pay gap in firms, which could be part of the Equal Opportunity for Women in the Workplace Act framework or dealt with elsewhere, and also reporting to shareholders for listed companies, and incorporation of this into accounting standards so that firms become used to measuring their performance in this area. We need to measure it properly at a national level, too. I read the ABS submission and noted that they really do not have an agreed measure of the gender pay gap. They have a number of measures but none of them are nationally accepted. So that is the first thing: to measure it.

The second thing is to have the resources available to ensure enforcement. We have suggested that there be a well-resourced unit within Fair Work Australia that would work closely with the Sex Discrimination Commissioner. Finally, in terms of going to the real source of the pay dis-

crimination, we have got a range of recommendations that go to assisting people to balance their work and caring responsibilities, because the most recent NATSEM report that came out last week shows that it is at the point where women have babies that the pay differential really emerges. It is those caring responsibilities that need to be addressed. I will leave it there and we are happy to take questions on our submission.

**CHAIR**—Thank you very much for that. Did you want to start, Barry, just to give my throat a chance?

**Mr HAASE**—We took evidence yesterday from a group who were extremely proactive in developing strategies to encourage women into the workforce. They published brochures that advised businesses that the outcomes would be better for all involved if certain changes were made to the work environment to make it more female-friendly. This morning my perception from your opening remarks is that you are looking very strongly, in a very focused way, at putting stick behind any legislation rather than changing culture. For me to be convinced that there ought to be a stick, I would need to be convinced that the carrot would not work. Other than legislation and the ability to punish behind the legislation, do you believe that something can be done by changing the attitude behind the existing culture which makes it so rigid?

**Ms Bowtell**—Certainly the ACTU would support the unit in Fair Work Australia having an educative role and a championing role. Those things can be really useful.

Our experience, when we look at specific measures that we know assist women to enter the labour market and to stay in the labour market, and to stay in the labour market in quality jobs, is that we are going to have more success with that approach the higher the skill level of the women. If you look at paid maternity leave or access to flexible hours, that is certainly the case, but we have suggested some soft compulsion things, and measuring is one of the very important things that help create the attitude that you will not get cultural change unless there is a recognition of a problem in firms.

A compulsion around measurement in itself is a remedy, without necessarily saying that you then follow it up with prosecutions and those sorts of things. They have to be part of the armoury, but we are certainly in favour of what you might call an enforcement pyramid, where you start with education and communications and publications and those things, but our concern is that the effectiveness differs, depending upon the sublabour markets that you are talking about.

**Mr HAASE**—I have a particular concern. In your opening remarks you said that you were updating your comments because of the submission being dated now, but I notice that, as it stands in my notes, recommendation 25 clearly calls for right of entry laws. You would accept that I have some argument with that. I am concerned that, when you talk about a mandatory audit, that mandatory audit would involve right of entry and right of access to records of employees that had, for instance, nothing to do with the unit.

**Ms Bowtell**—No, that is not the intention.

**Mr HAASE**—No. ‘Please explain,’ as someone once said.

**Ms Bowtell**—The audit would be conducted by the firm themselves, and submitted—as they currently submit, if they are a firm employing more than 100 people—through the EOWA arrangements. They submit an annual report on their efforts to improve equal opportunity in the workplace. You could use that mechanism or you could set up an alternative mechanism. But we are not talking about unions conducting the audit; we are talking about it being a requirement on firms to conduct that audit. We would hope that the legislation or whatever mechanism is used to do that would require consultation at the workplace to ensure that the audit is one that people have faith is robustly conducted and what have you, but the right of entry recommendation was not in relation to the audit. It would be in relation to enforcement proceedings if we believe that there is a firm that is breaching the legislation.

We are comfortable with where the parliament landed on the right of entry provisions, which provide that Fair Work Australia has to give authority before non-member records are accessed. It is not the position that we put, but we think that that will provide sufficient comfort to everybody that people's privacy is protected and also enable us to investigate if we think that there is a breach.

**Mr HAASE**—When the discrimination occurs, are you under the impression, from your experience, that the discrimination takes place as a result of malicious intent or is it accidental? You say no case has been brought, but what is your experience in associating with the workplace? Do you find that breaches occur through mistake, error or malicious intent?

**Ms Bowtell**—There are instances of direct discrimination, but our view on pay equity is that it is not a direct discrimination issue. It is predominantly that the work that women do, in the female-dominated occupations that they have traditionally worked in, has been undervalued. A particular firm would not necessarily have all of its female clerical workers and sales workers earning less than the men. That is not what we see, in the low-paid areas of the economy in particular. What we see is that, if you look at the distribution of wages across the firm, the low-paid jobs are occupied by women and the higher paid jobs are occupied by men. This is a generalisation but that is the cause. Then you get the national figures. I noticed, reading a lot of the submissions, that you received from individual companies and employers, they all say, 'We don't have a gender pay problem,' but someone must for the figures to end up the way they do.

**Mr HAASE**—But isn't it simply that women gravitate into a particular area and employers select gender for particular jobs? If that is illegal, then I do not know what sort of legislation we might put in place to prevent it, because, as we discussed here yesterday, if it were unlawful to make a decision of employment on the basis of gender, then all of the decisions would be made on something other than gender.

**Ms Bowtell**—No. The issue is not that that is unlawful. The issue is: why is it that you value the job of a female-dominated occupation differently from a male-dominated occupation?

**Mr HAASE**—But how can we legislate to change culture? That is the basis, isn't it, of the male-female difference?

**Ms Bowtell**—You can legislate to change minimum wages. That is something that we have done for a long time in Australia, so that is certainly something we can do. Look at the minimum

wage for a gardener compared to the minimum wage for a child-care worker, look at the skill sets et cetera that are associated with that work, and then see whether they align properly. That is the type of thing that the pay equity principle has been used to do—to look at whether there is historical undervaluation of typically female work as opposed to typically male work. That is one of the big remedial things that can be done. That is not at firm level; that is at industry or occupation level.

Of course, as we continue to move into a system where most people are not minimum wage dependent, we then need to look for the other components of remuneration above the minimum wage that also reward the same complexity of skill and the same educational attainment, but going in different ways, so HR managers versus fund managers may have the same types of post-secondary qualifications.

**Mr HAASE**—But do you believe that is an area that we can legislate? I have a problem with using the stick to change culture. I guess I do not mean ‘culture’. You can, I understand, by punishing offenders frequently enough, stop the rest of them from doing it, but this is something that is so steeped in tradition. We are talking thousands of years, aren’t we? We have been different for a long time!

**Ms Bowtell**—It does not take that long to stop it.

**Mr HAASE**—I suspect it might, because—and I have said this to you before—until such time as men have babies, you are going to have a difference between men and women.

**CHAIR**—But we would also consider there is a difference between Billie Bloggs Pipe Co paying two workers, doing exactly the same job, different rates of pay.

**Mr HAASE**—Yes, but we have got legislation that covers that. That is easy. That is identifiable. But how do you make an employer employ a male to make the tea, to be as derogatory as I possibly could? We have got 50 applications for the job and they all want to work the same part-time hours, but there is a bloke, and, ‘He looks fetching. We’ll put him on.’ How do we legislate to have that the culture rather than an employer saying, ‘Well, we’ve got a job for a tea maker. Do you have any experience making tea?’

**Ms Bowtell**—We are not suggesting that at individual employee selection level you make those judgements. What we are suggesting is that, when you look at the skills associated with being a tea maker compared to the skills associated with some other job, you may find that you have undervalued the skills associated with being a tea maker. You may not find that. We think there is a process to do that, so we are not, now, unhappy with the fact that there is a legislative framework for that to occur. What we are now saying is that you need to put the firepower behind that, which is about cultural change, and that firepower would come initially from measuring, which we do not think is a particularly onerous thing to ask of people: that they first of all measure and see if they are performing well at a firm level and at a national level. If you measure it, then you will know whether it is because the skills of a tea maker are not particularly complicated, the environment within which the work is done does not require any additional pay et cetera, or whether we have got that wrong and we are bringing a gendered view to how we think the work of a tea maker is performed.

**Mr HAASE**—I see a much more onerous task in making the changes than gathering the information. I know that child-care workers are underpaid. I know that aged-care workers are underpaid. I do not need expensive surveying and agencies set up to do that work. I know that already. What I want to know is: how do you create a wealth that will accommodate those poorly paid employees so that their industry is suddenly better paid but still affordable for the consumers? That is my dilemma.

**Ms Tkalcevic**—There is another aspect to this, which is the less obvious discriminatory processes, which are things like the caring responsibilities that women have. The NATSEM report that was released early this week identified that one in five pregnant women experience, for example, missing out on opportunities for promotion, training and networking; receiving less favourable work performance, reduced hours, demotions et cetera. Those sorts of things also come into the pay equity issue and they are very work specific areas that are relatively easily fixed at a workplace. I will just read this from the UK, who have a more sophisticated system than we currently do in terms of the auditing process. They have said:

Only an equal pay review can ensure that an organisation is providing equal pay ...

That is, in reality it is all but impossible for an employer to proactively address pay inequity unless they know where and why it is occurring. So what you are saying is exactly what we are saying in a sense: we know it exists on that broad level. There is no dispute, I think, apart from perhaps ACCI, who tried to say that the gap is narrowing, but everyone else is saying that the gap is not narrowing, so we know there is a problem.

We have the Fair Work Act which, by and large, does provide the remedy but there is this whole chunk in between about how you actually identify what the issue is, assist an employer to make the changes that they are able to make at the workplace, and assist workers, unions, HREOC and other organisations to investigate and prosecute those broader level—perhaps the child-care worker versus the gardener—kinds of issues. They are the pieces of the puzzle that are missing.

**CHAIR**—What you are effectively saying, and we agree, is that there is complexity behind the issue. You used the term a little while ago ‘sublabour markets’: different issues in different industries. Some might be different issues at the firm level and others might be different issues at the industry level. The benefit of having some mechanism which helps identify what those specific issues are is that it allows people to address it in a positive way at first, as much as possible using the carrot. We are all operating on the basis that most reasonable people, once they realise that there is a pay equity gap, if there is one, do not agree that it is fair and want to address that.

**Ms Bowtell**—You asked a question about child care and aged care. Yes, we all know that their skills are undervalued, their work is undervalued and we would all like to pay them more. I think that every government around the country probably would recognise that and most community members would. But how did we get there to increase child-care wages? We did it through increasing the minimum wage, based on a work value application which was run in different states—some under a pay equity principle, some not—which went through that task of saying, ‘The task is more complex than it used to be. We do individual evaluations of every child. We

have more children who have learning disabilities. We have more part-time children, so we are dealing with a larger group of families than we used to deal with,' and we went through the traditional industrial—

**CHAIR**—We still have not fixed the problem of child-care workers' rates of pays, despite those years—

**Ms Bowtell**—We have not fixed it, but the only way we lifted them by the \$20, \$30, \$40 and \$80 that we did was through the industrial system.

**CHAIR**—I do not disagree with that.

**Ms Bowtell**—It is imperfect.

**CHAIR**—We had the Australian Nursing Federation launching a campaign called Because We Care in the aged-care industry to demonstrate that a registered general nurse in aged care is earning about \$300 less a week than a registered general nurse in the public hospital system. That is the one that is well publicised that the community can associate and sympathise with, even though the backbone of the workforce are in fact carers and, I would argue, in some respects are even more greatly discriminated against because there is no recognition of the skill related to personal care attendants, nursing assistants and those sorts of people.

**Ms Bowtell**—The personal care attendants in aged care? Absolutely.

**CHAIR**—For government to address that, there are two issues that have arisen for us. One is that you cannot possibly begin to fix up what has happened in the past. We know that if there is a focus on individual claims and individual industries and identifying amounts of money and all the rest, then governments are never going to meet the bills of paying for that discrimination in the past, whether it is deliberate, indirect or whatever, and that in those sorts of industry areas you may need to look at prospective arrangements where everybody agrees, 'This is a problem in this industry; we need to address it; it is going to require government funding because it is not going to come from anywhere else,' but we cannot afford to do it in one hit and keep the industry affordable. We are going to have to do it in steps and, what is more, I think, even apply provisions that tie the government funding so that we actually get the result that we are seeking to get and that the money is not spent on new buildings or facilities.

**Ms Bowtell**—That is where the facilitative bargaining for the low paid can help because it is available on a multi-employer basis. In the funded sector, you have a lot of small employers often with no HR function. I am thinking about community services, disability services and those sorts of places. The typical workforce is a part-time female workforce of, I think the ASU estimates, about eight people, so they are not a big collective themselves; voluntary committee of management.

Those employers' hands are tied in improving their workers' wages, because they only have what they are funded to do, and they are also in that classic situation where any increase in wages is at the cost of service to the client group to whom they are all incredibly committed. To get the funder at the table does not bind the funder in any way, but it makes sure that you do not

have the buck-passing that can happen in those sectors between the employer and the funder. I think that again opens an opportunity to do some work in those sectors but it will require funders to recognise that the workforce that they engage, which is essentially an outsourced provision, is underpaid. Ultimately, either the clients or the community, through taxes, will have to fund those increases to reach the level of pay that you would consider is appropriate.

Eighteen months ago that recognition was occurring in the community when the labour market was incredibly tight. We are in a very different circumstance in terms of the part-time labour market now, but the health and care labour markets are still very tight. One of the things we are seeing occur in this environment is employers really starting to embrace flexible working arrangements in a way that they have never done and, frankly, were reluctant to do when we were putting them on the table in relation to work and family responsibilities: four-day weeks, three-day weeks, unpaid leave et cetera. I would be hopeful that the employer-initiated flexibility that we are seeing in some of those male-dominated areas which are higher paid might be something that we see come out the other end of this, where there is some capacity to keep that employee-initiated flexibility available at the other end.

**Mr HAASE**—Ms Bowtell, I have occupied far too much of the committee's time talking to you. Chair, take it away from me. Yell at me or I will keep talking all day.

**CHAIR**—I might go to Mike.

**Mr SYMON**—As someone who did, as part of my first full-time job, have the duty of getting the morning teas, I do understand where some of this discussion comes from.

**Mr HAASE**—I'm sure you were very good at it, Mike!

**Mr SYMON**—I was younger then and probably more attractive. However, getting down to some serious issues, I have been through this submission several times. It has come up, as we have said, through some of the state organisations as well. At page 19 you call for a pay equity commissioner, and I think that has a lot of carriage. How would you perceive that actually applying to instruments outside of industrial awards, because there are many instruments outside of awards where there are pay equity gaps that need to be addressed? In terms of collective agreements, I could see a fairly easy approach to that, but when it comes down to common law agreements, especially individual ones, where would there be an opportunity to address that issue?

**Ms Tkalcevic**—The Sex Discrimination Act would apply. There is an inquiry ongoing, and we have made recommendations, along with a number of organisations, to improve the capacity of the Sex Discrimination Act to deal with pay inequity. For example, it is only illegal to discriminate on the basis of someone's family responsibilities in the case of dismissal under that act. If that were broadened out, then that would go some way—

**Mr SYMON**—And that is the problem. At the moment it is after the fact. It is after dismissal.

**Ms Tkalcevic**—Yes, that is right.

**Ms Bowtell**—But we do not see the pay equity commissioner only having oversight of registered instruments.

**Mr SYMON**—No. I am asking: how would they actually have oversight of instruments that are not publicly available?

**Ms Bowtell**—The reporting becomes very important then, and that is not necessarily reporting on Mary's wage compared to Joe's, but global company reporting by classification, which is something that the pay equity commissioner could examine.

**Mr SYMON**—So they would get the data from your proposed mandatory pay equity report?

**Ms Bowtell**—That is right, yes.

**Mr SYMON**—Moving on from that, one of my pet subjects is the collection of data. The ABS series that you have used in one of your attachments is quite commonly used. It is also infrequently published. In fact, at the moment we are using data that is over three years old. Do you collect your own statistics outside of the ABS data collection that are in any way usable in a public form?

**Ms Tkalcevic**—No. We do not have the resources.

**Ms Bowtell**—No. We used to collect outcomes in enterprise bargaining, and many years ago parties to enterprise agreements were required to report the number of men and women and young workers and Aboriginal and Torres Strait Islander workers and non-English-speaking background workers covered by each agreement, but that fell away, and we were not given access to that information anyway, so we do not have any independent data source. There is the HILDA survey and other things that can be relied upon. The Workplace Research Centre at the University of Sydney is conducting a longitudinal survey which is not dissimilar to the EOWA surveys, and that is being part-funded by Unions New South Wales and some of the unions associated with the ACTU. The SDA is one of the unions sponsoring that; I cannot recall who else. That dataset may well be useful as well, in that it is a longitudinal dataset looking at work.

**Mr SYMON**—Many of the arguments I see come up in the committee here are based on information collected, so statistics provided. Do you find that these surveys are not collecting enough information—in other words, they are not asking the sorts of questions that could allow you to come out with a better answer?

**Ms Bowtell**—For all that we have a lot of evidence, we do not understand the pay gap as well as we should. We try to use full-time wages to measure the pay gap so that we are not overstating the extent of women's disadvantage by the fact that women are much more likely to be employed part time. The problem with that is that the lower paid female jobs are part-time jobs and by using the full-time data you exclude and mask the extent of the gender pay gap.

If you move to an hourly measure, which it is possible to do, the problem is that you include the casuals in your hourly measure, and they are loaded up with 25 per cent but, of course, they do not get four weeks annual leave, they do not get 10 days personal leave, and they do not get

11 public holidays a year. So they look like they are doing better but, if you account for the fact that they are paying for, effectively, eight weeks of leave in that, and discount it back off the casual rate, you would find that the gap is bigger. So we do not even have a national measure that we can use, I do not think, that is an accurate measure of the extent of women's disadvantage in the labour market. That is one of the reasons why we think we do not just measure at firm level; we do have to have proper national figures.

The ABS submission was really interesting in terms of their pointing to all the different datasets they have got, but not saying, 'This is the one that we think shows us what the gender pay gap is.'

**Mr SYMON**—Moving on to page 35 and one of my favourite subjects, equitable retirement income: access to super for—and this is testing my memory here—people that earn under \$450 a month or are over the age of 70 is not guaranteed.

**Ms Bowtell**—Yes.

**Mr SYMON**—What effect does that have on members of constituent unions of the ACTU? Does it show up, especially in short-term casuals, or even, these days, older workers?

**Ms Bowtell**—It does. Removing the \$450 a week exemption would have some impact on adequacy of superannuation retirement incomes. We participated with the Industry Super Network and the Australian Institute of Superannuation Trustees in a modelling exercise which we have submitted to the Henry inquiry, and we would be very happy to forward to you, which looked at adequacy, and looked at the impact of superannuation and other retirement savings on the 10 lifetime earning deciles. Access Economics did the modelling for us. We looked at issues around the \$450 exemption, and we looked at the impact of making a one-off maternity payment of \$4,500 to help at least keep women contributing to superannuation during that period while they are out of work, and they have modest impacts on retirement incomes over a lifetime.

What was interesting was that Access Economics was unable to disaggregate their data to do a gender run for us. One of the things we were very keen to do was to look at the impacts of the different tax treatments that we were recommending on men and women, and we were unable to do that. The Henry review, as you know, brought forward its consideration of retirement incomes to report in time with the Harmer review of pensions. But if we had more time or if we are granted more time we would like to go back and try and do some more work on the gendered impact of the changes in the tax system that we are recommending.

**Mr HAASE**—If you had more time? What do you mean?

**Ms Bowtell**—The Henry review—

**Mr HAASE**—Oh, the Henry review?

**Ms Bowtell**—Yes. Access Economics were under the pump, in any event, but they were unable to do the disaggregation by gender because they had to suddenly complete their report in time for us to submit it in February.

**CHAIR**—And given the two very different working life patterns between men and women, you would think it would be significant.

**Ms Bowtell**—You would. There is no doubt that, when you are looking at adequacy of superannuation retirement and you look at averages, there is a lot masked within those averages. But our system, on all the modelling that was done, showed that by 2041, on average, people around the fifth income decile will have a modest but adequate retirement income on the current return rates—not the current return rates; the historical return rates—and contribution rates and so forth. But the modelling all assumes 35 years at average weekly earnings full time, not lower income deciles, people who have only been in the system for a short period of time and people with broken employment patterns. The models assume a male pattern of employment.

**Mr HAASE**—Having babies gets in the way of that.

**Ms Bowtell**—It sure does.

**Ms Tkalcevic**—And earning a low income. Isn't it the case that the tax on super is higher than some of the low-income-earning women would be paying on their income? So they are being taxed more than they should be on their income for their super.

**Ms Bowtell**—The recommendation that the AIST and ISN originally ended up putting was a three-stage progressive tax system on the contributions, but we modelled a couple of different things as well. We have modelled a fully progressive one, which was marginal tax less 15 per cent. That was both very redistributed and of benefit to government in terms of revenue. So that is before Henry, but that is not what we ended up recommending. We ended up recommending a 15, zero and a 15 per cent rebate, which is redistributed but costly.

**Ms Tkalcevic**—Another aspect of that is the workforce attachment initiatives which directly then feed into adequacy of retirement income and the amount of income over a lifetime that women earn during their child-bearing years. That is where paid maternity leave and the right to return to work part time are very important, because they keep women in jobs and assist in spreading out their income capacity over those years. We have not really touched on that today, but that is a large factor as well.

**Mr SYMON**—I have one last question. It delves into government procurement and what government can do in its role of letting out contracts for tenders for services to improve pay equity between the sexes. There is probably a great deal that could be done. I am not sure it has been explored all that deeply up till now. Is there a way you think that could be done from a government point of view so that all the services a government purchases are lined up against a particular set of parameters, just like they are for many other performance hurdles, before the contract is granted?

**Ms Bowtell**—In terms of the carrot that Mr Haase was talking about earlier, that type of approach—saying, 'We will give preference to tenderers who meet criteria about good workplace practices on a whole range of things, including compliance with the new legislation'—is a very powerful instrument and, in particular, when the government is spending

not only its normal expenditure but its stimulus expenditure, the Commonwealth's purchasing power is significant, as is the state's and local government's.

There is no doubt that that is a terrific carrot to get voluntary changes in company and firm behaviour.

**Mr RAMSEY**—Ms Bowtell, you said that we have had no successful applications under the old legislation for equal opportunity pay discrepancy. Why is that? Have there been very few applications to even get a decision or has the law just been failing, or what?

**Ms Bowtell**—There were a number of applications in the late nineties, not that long after the legislation was introduced. What the commentariat seemed to say was the failing—and when you read the cases—was that, because the constitutional head of power that was relied on to introduce that legislation was the ILO anti-discrimination conventions, the AIRC took to its deliberations in those cases an anti-discrimination framework and it looked for evidence of discrimination and it looked for a direct male comparator, which is the old direct discrimination framework, and, when you are looking at pay inequity, you do not necessarily have a direct male comparator doing the same work in the same firm.

When you are talking about pay inequity, you are talking about value of work, not identity of work, and that is why we think that there is more scope under this new legislation, which does specifically make clear that it is of equal or comparable value, and that is also not based on the ILO convention. I do not know what Fair Work Australia will do with it, but it is certainly open to make the argument to them that they do not need to look for a direct comparator; that they can take a broader view of what constitutes how work is valued and the processes that are used; and that they can take some of the learnings from the Queensland and New South Wales commissions around that. It is a complicated process to go in and show how the value of work aligns. It is not 'the' panacea. It is a tool; it is not the panacea.

**Mr RAMSEY**—That lines up a little with the comment I have been making, and the others will have heard it before, that many of these industries that are lowly paid are actually dependent on their outcomes for government dollars. In the aged-care sector, the education sector, for instance, the trendsetter or the underriding value is actually provided by governments. You said, 'I think all governments are committed to reducing this wage gap.' Talk is cheap, but actually fixing the problem is not—it is very expensive—and it will also provide electoral difficulties for those governments that choose to take it on. If they chose, for instance, to lift the overall wage levels in the aged-care industry by 30 per cent, that means something else is going to give. Governments can say they are committed, but actually getting the deliverable goods into the workplace may be very hard.

Coming to recommendation 28, which is the mandatory reporting on an annual basis, we had a large multinational company in yesterday to talk to us—the NAB—that has conducted an audit, with the Financial Services Union as well. They have enormous resources to do that type of study on an annual basis or however often that they choose to do it. As you go down the food chain it becomes progressively more difficult. There are companies that do not have human resources departments, once you get below a certain level, right down to 15, 20 or even eight employees, somebody running a deli or a small trucking operation. These mandatory requirements

can be well beyond their skill levels, the types of things that these small businesses are just not capable of doing, and will provide significant hurdles to them. To mandate that is asking for a lot from them.

**Ms Bowtell**—Our view is that the nature of the obligation will obviously have to take account of the type of business. When you have got eight employees, it is not that hard to work out what you are paying them, and you are not asking them to do a multiple regression analysis to work out whether the length of time in tertiary education is a factor in the way they differentially pay people. One of the recommendations we have there is to include it in the accounting standards. Most of these businesses would have their books looked at once a year by their accountant, so it is the sort of thing that could be incorporated into the normal business cycle, and we do not see that it would be an onerous burden on a business of any size.

**Mr RAMSEY**—By the same token, if you have got eight employees, they would know *prima facie* in their head whether they were underpaying their female employees or not. Most of them would say no.

**Ms Bowtell**—Most them, that is right.

**Mr RAMSEY**—Quite plainly they would say, ‘No, we don’t do that.’

**Ms Bowtell**—But they might if they had to rank, every year, who is the most highly paid in the business, the least highly paid in the business, and put ‘boy’ or ‘girl’ next to it. They might find, over a period of time, that consistently—

**Mr RAMSEY**—They are down the bottom.

**Ms Bowtell**—Consistently the boys are up the top and the girls are down the bottom, and that might be sufficient for them to say, ‘I’ve got a gender pay problem in my business.’ It may not be, but it might.

**CHAIR**—Some might think that it is the natural order of things.

**Ms Bowtell**—Some may.

**Ms Tkalcevic**—In some submissions we have read, they do think that that is the natural order of things.

**Mr RAMSEY**—Use the example, though, of a truckie. A small trucking organisation might have eight or 15 employees. The females may well work in the office and the blokes may well drive the trucks. I know that is stereotyping, but that is what happens in a lot of cases. It could happen. They would sit there and say, ‘Well, of course the truck driver is going to earn more money.’ You can have a value judgement on that. But most likely they are working very long hours.

**Ms Bowtell**—So list it by hourly rate to see what they are paying their clerical worker as opposed to their truck driver, and then the commissioner and the educational tools ask, ‘Is there

something more complex about driving a truck than operating in the clerical space, dealing with all of the accounts and the customers, taking the orders et cetera? Is there something inherently more complex about driving a truck?' Truck drivers have responsibility for heavy equipment and all of those things. I am not saying the truck driver does not have more responsibility or more skills or more complexity of work, but that is the question people need to ask themselves.

**Ms Tkalcevic**—We did give quite a bit of thought to this, because we were conscious that if we were going to ask for mandatory reporting—which, in our view, is the only way we can get any of this remedial stuff to be of any value—we had to have a system where it was as easy as possible for small businesses. That is why there is the concept of having a two-tiered reporting system where the basic reporting is, essentially, very simple. It is the sort of data that you would notice by running a pay cycle: 'What is the take-home pay of men, of women and'—maybe—'of the positions?' Then you would have the Pay Equity Commission charged with putting that all together, putting it into a trucking industry analysis that they might do on an ad hoc basis, just to see what is happening in that industry, to see if there are any issues coming up that could be indicative of pay inequity, and perhaps coming up with some policy.

It is not on the employer to do any of that. They just need to at least provide the data. If we think further investigation might be warranted in a particular sector or an occupation, it would be the role of that Pay Equity Commission to follow that through, but at least we have got the basic remuneration data. It may be that if you ask people to report on the take-home pay, as opposed to the award rates, they might discover that they are only offering overtime on hours that are amenable to people who do not have caring responsibilities—'Maybe we'll have a look at how we do that.'

It would just give rise to a capacity to look at whether there is something that can be done that really is just a matter of how rosters or training schedules are organised in a workplace—that sort of stuff—but it would be the Pay Equity Unit's role or the pay equity commissioner's role to extrapolate all of that, not necessarily the employer's.

**Mr RAMSEY**—I cannot tell you how popular this would be with a lot of companies that are already drowning in compliance!

**Ms Tkalcevic**—That is right, but the basic remuneration reporting would really be reporting on your payroll. You do it for tax purposes.

You do it anyway. We would try and align it to something that you are already doing, but you are providing that data not just to the tax office but also to the Pay Equity Commission. It is their role then to do what they need to do with that data.

**CHAIR**—Or, indeed, the tax office could pass it on to the Pay Equity Commission.

**Ms Tkalcevic**—Exactly. If you do it at such a basic level, it is already being provided.

**Mr HAASE**—I think there are good reasons to do these things, but I am wary of the mandatory nature of it, particularly on small businesses.

**Ms Tkalcevic**—Hopefully, it would not be any more than they already do, because they are already reporting, as you say.

**Ms Bowtell**—We are also conscious that mandatory reporting on its own does not necessarily lead to change. The Equal Opportunity for Women in the Workplace Agency—and before that the affirmative action act—has required firms with over 100 employees to report, but it is not a particularly well resourced organisation, and the sanction is being named in parliament. It is like an ILO special paragraph. If you read the reports that are submitted by firms—and they are available on the web—quite often it is the same report now that is being submitted every year—year in, year out. That is a waste of everybody’s time, frankly.

**Mr HAASE**—It complies.

**Ms Bowtell**—That is right. It is compliant, but it is not bringing cultural change. We are not looking at reporting for reporting’s sake. It would have to be accompanied by the resources and the firepower to make sure that cultural change follows from that.

**Ms Tkalcevic**—I know, for example, in Canada, depending on the size of the business, the requirement for reporting escalates. At less than 10 employees it is very basic—probably what you are already providing, for example—and their pay equity unit takes up the analysis of that; at between 10 and 40, or something like that, a little bit more detail is needed to be provided—perhaps what policies you are using et cetera; and then at over 100 it becomes similar to what we currently have in terms of the EOWA reports. That is a recognition by the government of smaller businesses. The government body is taking up some of that extra work on behalf of the smaller sized businesses and then saying to an organisation of over 100 employees, ‘You have the resources to do some of this yourself, so we’ll ask you to do it yourself.’ They are getting the basic data from the small, under 10, employers and then they are looking at what that data means rather than asking the employers to do that. That is another option.

**Mr RAMSEY**—Have we had that Canadian model sent to us?

**CHAIR**—No, we have not.

**Mr HAASE**—It has been referred to a number of times.

**Mr RAMSEY**—That would not be a bad idea.

**Ms Tkalcevic**—I am happy to provide it.

**Mr RAMSEY**—You have got it?

**Ms Tkalcevic**—Yes—along with our submission to the Henry review.

**Mr RAMSEY**—Thank you.

**CHAIR**—We had evidence from an academic who has done a lot of work on pay equity, including tracking particular award results and outcomes and EBA results and outcomes, as well

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as individual contracts, over I think a 13-year period. One of the concerns she raised with us was the ABS now and its comparative wage rates by industrial instrument. The category used to be collective agreement, award, over-award, or whatever. It now has this category of 'unregistered individual arrangement'. She was very concerned about that, because it was losing, in her opinion, the significance of the award rate of pay. She was approaching it from the basis that Australia, for all its good and bad, had in the past one of the smallest pay equity gaps because of our history of collective wage-fixing and the award system. It was her evidence that the awards are undermined either by industrial legislation like Work Choices or something allowing for AWAs, which can go below the minimum rate in the award.

The other issue was enterprise bargaining. In fact, she strongly argues that that is what has been causing this widening in pay gaps. It is not just individual contracting; it is enterprise bargaining. That kind of makes sense, if you think about who it is that gets to settle enterprise agreements around the place. Is that something that has you concerned, or have you not really been alerted to it?

**Ms Bowtell**—I started by saying that only 20 per cent of workforce is entirely award dependent. Of the 40 per cent who are on individual arrangements, unless they were on an AWA, which is probably a maximum of six per cent—we will get new data next week, but it may have got out to six per cent at its peak and it will be shrinking now—most of them are on, legally, an over-award arrangement, because the award still applies to them. Most of them are non-managerial employees. Whether that is what is being paid at the workplace is a different matter, but the award is still setting their base rate of pay and their base conditions, and they are just being paid something above that.

So we have 20 per cent award dependent and another 40 per cent for most of whom the award sets their minimum. In the collective bargaining stream, the award still has an enormous normative value. Most enterprise agreements are a tack-on to the award. The award forms the design, the architecture, of the enterprise agreement. So the award system is enormously important in setting the structure of the terms and conditions and wages that apply in our workplaces. With the award wages structure, even if you are paying in the building and mining industries three times what the minimum rate is, the classification structure and the progression criteria et cetera tend to carry over through the enterprise bargaining stream.

The significance of the award system is not something that we would ever underplay, and monitoring award modernisation to make sure that it does not have an unintended detrimental or deleterious effect on women's wages is something that we are really conscious of.

**Ms Tkalcevic**—There are some statistics here that indicate that, in 2006, 44 per cent of casuals' wages and conditions and 33 per cent of part-timers' wages and conditions were determined solely by awards. That is another way of looking at it.

**CHAIR**—No, the concern she was raising was that the ABS are now using, as part of their standard collection of data, this category of 'unregistered individual arrangement', where in point of actual fact, what it is, if it is unregistered, is a common law contract. In the past—up until a matter of two or three years ago, presumably—we treated it as over-award. She was just concerned about losing that connection.

My voice is going to run out on me, so I think I have done enough, and I think we have made you sit here and do enough as well. That was fantastic. Thank you very much for the time you have given us this morning. I might get Barry to summarise, but I made a note of you undertaking to provide modelling of the superannuation without the exclusions that you have given to the Henry review, and also the information on the Canadian model. Thanks, Deputy Chair.

**Mr HAASE**—Thank you, Chair. For the record, I sincerely thank you for your attendance here today. We gave you a mild grilling only! If you have been asked to provide any additional information, please forward it to the secretary. You will be sent a copy of the transcript of your evidence, to which you can make corrections of grammar and fact. As Hansard may wish to check some details concerning your evidence, would you please check if the reporters have any questions before you leave.

[9.49 am]

**DALE, Ms Robyn, Director, Union Research Centre on Organisation and Technology**

**Mr HAASE**—I welcome the Union Research Centre on Organisation and Technology to today's hearing. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses.

We have not received a written submission to this inquiry from you. Would you like to make a brief presentation to the committee or an opening statement?

**Ms Dale**—I will make a brief presentation to the committee. I know you are concerned about time, and I think you will make up some time. I would like to present to you a PowerPoint presentation. For the last two years, URCOT has been interested in and done research around pay equity. One of the things that have always struck me is that we talk about it as if it is out there. It is serious; everyone agrees it is serious; everyone wants to fix it up; it is going to cost a lot of money; and it is out there. But this morning what I want to do is just to offer a very simple presentation which is about bringing it in here.

When we think about our own sons and daughters and that very moment that they are born and we think that they are our own special miracle—can I ask how many of you have children?

**Mr SYMON**—I have two daughters.

**Mr HAASE**—So three out of three on this occasion.

**Ms Dale**—Once we look at the child and we believe that we are the only people in the world that can make these little creatures, what we have discovered is that almost from birth—we know this—they are treated differently. What I am aiming to do this morning is to provide you with very simple information on when the gender pay gap starts. The details of the references are at the back of the presentation. I have copies of the presentation for all of you. I will give that out at the end, if you do not mind, because it will lose a bit of impact if you have all the information in front of you.

**Mr HAASE**—I could not agree more, thank you.

**Ms Dale**—The other thing that I want to say is that the data in the slides is based on the most conservative data that I could get. It does not take into account the history of bargaining and, therefore, what the projections might be. It is a snapshot at this particular point in time. A lot of the slides are based on equal pay for work of equal value, so it is comparable worth. Let's get started.

If we have two children aged 10, the average earnings for boys in pocket money terms are \$7.60 a week and the average earnings for girls are \$6.80 per week. This is a survey of 1,200

Australian households. The gender pay rate is 89.5, so you can see that it is not dissimilar to full-time earnings when we are adults. It is really interesting. That is for our little girls and little boys. Incidentally, 32 per cent of those families did not give their kids any money at all, which probably is wiser, I think.

For this next one, we have picked Robert and Sally. Robert and Sally go to school together. Robert and Sally leave school at 15 and take up part-time employment in their local Safeway. Robert is employed as a produce department assistant and Sally serves in the deli. Robert earns \$9.38 and Sally earns \$9.38, so the gender pay rate is 100 per cent. We are very pleased with Safeway.

Moving on, at age 20 they decide they have had enough of school and begin working full time. Robert stays with Safeway, Sally works at Myer. Robert is earning \$856 a week, plus clothing allowances, penalty rates and overtime, and Sally earns \$623 a week. They are both full-time employees. We have not taken into account the allowances and penalty rates, so the gender pay rate here is 72.8 per cent. The difference per year is \$12,116. Over a lifetime, on the assumption that these pay rates stay the same and the differential is the same, it adds up to \$545,220. That is a simple example of how significant the difference in pay rates is.

**Mr HAASE**—That is the same working period?

**Ms Dale**—That is exactly right.

**Mr HAASE**—No having babies, no time off.

**Ms Dale**—No having babies. The assumption is that both of them are employed full time.

**Mr HAASE**—That is a significant stat.

**Ms Dale**—Yes. Here are a sister and brother, Maria and Henry. They work after school at Safeway. As you know, we like Safeway because they have 100 per cent on the gender pay ratio here. At age 18, Maria and Henry decide to undertake a TAFE course. Henry does an advanced diploma of telecommunications at RMIT in engineering and Maria commences an advanced diploma of children's services at Chisholm Institute. Maria earns \$15.81 an hour and Henry earns \$18.68 an hour, and this is at age 20. The gender pay rate is 85 per cent. At age 40, Henry is employed at Telstra still, earning \$26.42 an hour, and Maria is on \$21.32 an hour, which is 81 per cent.

**Mr RAMSEY**—If that is what their choice is; we would end up with the opposite result.

**Ms Dale**—No.

**Mr RAMSEY**—Are you coming to that, are you?

**Ms Dale**—No, but we can talk about that. On the statistics—and this is a graduate salary, so these are the grad stats which are referenced in here—there are only four employment categories on this set of data that have women equal or earning more when they first graduate, which is

staggering. They are in the fields of accounting, earth sciences, which is interesting, engineering and social work. Social work is not surprising. The others I think are surprising. Significantly, though, if, for example, both of them were to do optometry, then he would be earning as a starting salary \$68,000 and she would be earning \$60,000. It is staggering. That is referenced as well.

**Mr RAMSEY**—So if Maria had gone to Telstra and Henry had gone to a child-care centre, we can assume we would get a different result again.

**Ms Dale**—I think we would get a different result again, and I will show you that when we have a look at teaching, because I was really struck by it, really surprised by it, myself. I do not know the extent of the difference, but I would imagine it would be much less.

In their final years at high school, John and Katy work at McDonald's. They both earn \$7.43 an hour. They should work at Safeway, I think. They are at school and both of them get an ENTER score of 90. Katy enrolls in a bachelor of nursing. I know that you had a discussion with Cath as well around the sex segregation of the workforce, and this is what I am trying to demonstrate here. John enrolls in a bachelor of civil engineering at Monash University. They both undertake part-time work. John is employed as a builder's labourer for \$15.39 an hour and Katy works as a personal care assistant at \$15.71 an hour. You can see that it is 102 per cent. She is earning more than he is.

**CHAIR**—We were just saying that must be a non-union site and probably in the housing industry.

**Ms Dale**—They both graduate and they take up positions in the public sector. I have kept this in the public sector just so that you can see the difference, using conservative estimates.

John's starting salary is \$54,000 and Katy's is \$45,000. So at age 23—this young—it is 83.4 per cent. John earns \$80,000 as a level 2 civil engineer with four to 10 years experience, and as a 10-year experienced div 1 nurse Katy earns \$64,480, so the gender pay ratio is 80 per cent. Twenty years on, they are 45 years of age. He is now a level 4 civil engineer in the public sector. He stays in the Public Service. Katy is an assistant nurse manager in a large public hospital. Bear in mind that Katy has not bred, so there has been no time off for having children. It is 67.5 per cent. This is if we argue that engineers and nurse unit managers are of comparable worth. Often, I have seen child-care assistants and engineers but I wanted to have a look at both groups having the same ENTER score, so starting when they were young, and working through their careers.

**Mr SYMON**—Robyn, I presume that overtime and shifts are paid more often in nursing than in engineering. Are they comparing like with like hours?

**Ms Dale**—Yes, we are comparing like with like hours. It is a standard nursing position. We are not looking at overtime rates or penalty rates in terms of weekends or anything that was loaded.

**Mr SYMON**—And then you are presuming that the senior engineer is working his 37.5 hours a week.

**Ms Dale**—That is exactly right. I have tried to keep it as basic and conservative as possible. They are now both in senior positions. Katy earns \$122,000. This is the maximum pay level that Katy can earn as a nurse. That is the most that she can earn. John earns \$166,000—once again, in the public sector. There is an argument about whether he would stay in the public sector but, if we assume that he is committed to working in the public sector, it is the highest pay level he can achieve as an engineer. The gender pay ratio there is 73.5 per cent.

This one is truly fascinating. This is Tom and Sarah and they are married. They met while undertaking a Bachelor of Education at the same university, Deakin. Tom and Sarah graduate together and both accept positions in public secondary colleges. Tom starts on \$48,000 and Sarah commences on \$47,000. I cannot explain the difference. As you are probably aware, much of the research that has been conducted on pay equity argues that there is a certain percentage that cannot be explained away by education, experience and so on, and most people would argue that it is simply discrimination. I cannot explain this.

**CHAIR**—These are starting rates in the Public Service and that is just what happens?

**Ms Dale**—Yes, but I have not seen the raw data, and we always need to be careful with stats.

**Mr SYMON**—Where does that figure come from then?

**Ms Dale**—It comes from graduate statistics. There is a website that sets out graduate stats. If we are trying to explain it, it might be a particular subject area—maths teachers, for instance. It would be good to have a look at the disaggregated data.

**CHAIR**—I know there is, for example, a gap with early childhood teachers, who are paid less than primary and secondary teachers.

**Mr RAMSEY**—This is likely to become greater in the current environment too, isn't it? We are starting to talk about having to headhunt certain professionals, particularly in the education sector, and give market signals to encourage people into those sites.

**Ms Dale**—Yes, I think so. One of the significant things in terms of starting salaries is that it is fairly well understood that men can negotiate better than women. In terms of applying for jobs, women are more likely to feel that they have to have the experience before they can apply. Men are more likely to say, 'Yeah, well, I'll give this a go. I need this experience.' It is a different way of thinking about applying for jobs and promotion. So at this point in time it is 98 per cent. I genuinely cannot explain the difference and I think the figures need to be disaggregated to have a look. But I agree with Rowan: I think it will get worse.

Tom and Sarah have two children. Sarah takes maternity leave between the ages of 32 and 37 and then she works part time between the ages of 37 and 47. At this point in time there is paid maternity leave for 14 weeks for secondary school teachers. So while Sarah is not working, as you discussed earlier with Cath, Sarah's career progression has stalled. Sarah forgoes a minimum of \$250,000, which is a five-year salary, and of course receives no super contributions, which is really problematic.

In the work that we have been doing, my thesis is on part-time work, and why women do it and men do not. I think the whole notion of choice is contestable and really needs to be disputed. But what is significant is that when I was asking the question, 'Do you want to work part time?' without exception the women did, and women that were working part time did so immediately after having a child, whereas for men it was when preparing for retirement and starting up businesses and studying.

But I did not ask the question, 'Do you want to be poor when you are 65?' Once they have babies, of course, many people want to spend as much time as possible with their children. However, not many of us want to be poor or dependent on the state when we are 65, which is absolutely problematic in terms of people living so much longer and the cost to government.

Tom continues to work full time and, naturally, his level of experience and his salary continue to increase as his career progresses. At age 47, Tom is an assistant principal, earning \$110,347, and Sarah returns to full-time work. She is employed as an accomplished teacher, level 4. That is the best that we think she could possibly be earning, and that is \$64,000. She is now earning 59 per cent of his wage. At age 55 they divorce. He is a principal, earning \$135,000, and Sarah is working full time now and is classified as an expert classroom teacher, earning \$77,000, and the gender pay ratio is 57 per cent.

This is a really interesting and staggering example of what happens when you have children and work part time. There is a 42 per cent drop for women and, for men, 8.2 per cent. A 30-year-old female with an annual salary of \$50,000 taking a career break of six years could miss out on as much as \$77,000 in retirement savings by age 65. The Investment and Financial Services Association has projected that the average retirement balance of its women members in 2022 will be \$149,000, in contrast with \$216,000 for men.

What causes the gap? It is my opinion that it is absolutely the undervaluation of women's work, the gendered nature of part-time and casual work, and the current methods of wage-fixing, which benefit male employees.

In terms of recommendations, I am sure you have heard all of these: the establishment of a Pay Equity Unit or a pay equity commissioner; understanding and addressing the undervaluation of feminised work; work by the government, employer organisations and unions to commit to gender pay equity; an education campaign.

I do not believe, if you talk to men and women, that anyone wants women paid less than men. Most people do not, anyway. The government, employer organisations and unions need to strengthen their efforts to address workplace factors, such as harassment and bullying of women workers, isolation and lack of support, to enhance the retention of women in non-traditional employment, because there have been several moves to get women in non-traditional employment. In the research that we did when we were working with small businesses around workplace bullying, one of the most significant aspects—and both employers and employees agreed—was that young women were isolated. They would come into an organisation as bright young things and then be working where the culture was absolutely problematic and had not moved on.

The government needs to provide a fund for employers, government and unions to pursue gender pay equity matters and employers and unions to adopt policies and processes to address gender pay inequities in enterprise bargaining. I think some of the statistics are absolutely problematic.

I was interested in hearing the last speaker and you, Rowan, talking about the collection of data from small business. We have done some work—and I admit the sample size is not great—with small business and the collection of data. One man said to me, ‘Have a look at this,’ and I could not have managed it. We were talking then about what would be useful. What all of the people that we interviewed said was that it is not just the gathering of the stats but the information that goes along with it—the instructions. If the instructions were clearer, the tasks would not be so onerous. I thought that was interesting, but I must admit the sample size we were working with was pretty small.

That is my presentation. I also note that in the discussion earlier you were after information on the Canadian case study. I am not sure whether you have seen our report that was commissioned by Industrial Relations Victoria, but I am happy to supply that to Raymond if you have not. It has a little bit on the Canadian system in there.

**Mr HAASE**—That is lovely. You said you were going to table the slides of your presentation. If you would like to do that, we will go through the formality of accepting those. Thank you. We need to have those put into the record.

**Mr SYMON**—The thing I keep coming back to, and you have touched on some of it, is that we are looking at an issue where we are not certain what all the factors are that contribute to the gap.

**Ms Dale**—Yes.

**Mr SYMON**—Almost my favourite question, which I ask of most people that come to these hearings, is: what issues are you aware of that might be causing a pay equity gap in terms of gender that are not measured at the moment?

**Ms Dale**—Some serious work needs to be done around the sex segregation of the Australian workforce. It is really problematic. I teach undergraduates and postgraduates. This semester I am working with social workers. I have 120 students, and there are four blokes in that group. Of course, they become novelties in the conversations and talk on behalf of all men, because they are all we have, but it is interesting that this is the case in Australia and not so in many of the other OECD countries. I think that the Harvester judgement had some serious unintended consequences for a landmark piece of legislation at the time.

We need to understand sex segregation much better, but I think there are some basic things that could be done quickly. One of them is about media campaigns. There are some very successful campaigns at the moment. WorkSafe are doing the Work Safe advertising campaign. My students and young people are talking about this, as in getting back to work quickly. Let’s not debate whether that is a good or a bad thing.

We need to understand more about the sex segregation of the workforce and we also need to understand something that we absolutely take for granted—which I do not think disadvantages men in the same way that it disadvantages women—and that is the assumption that women choose to work part time. That is contestable. For me, it is about unpacking some of the other things that are not necessarily related directly to Katy and Fred earning an amount of money.

**Mr SYMON**—I agree with you: it comes back to choice in education while still at school. If you had a male and a female both given a choice of career opportunities—and they presumably could physically do both and have enough intellect to do both—and you put the potential earnings in front of them at that stage for one career versus the other, is that the sort of start that we need to get out there? I come from a trades background, and in that area at the moment tradespeople are still highly sought after and the wage levels are good.

I could have equally, when I was at school, decided I wanted to go into an office environment—white-collar background—gone through just as much training as you have described, and come out, if I were still in private industry, at a far lesser rate. Earnings potential and those sorts of things—and this was many years ago—certainly were not put to me then. ‘This is a good career choice. Do you want to be poor when you are 65?’—following your line of argument there—versus, ‘This is not such a good one.’ Is that the sort of thing you are heading to?

**Ms Dale**—That is one thing, but the other thing is that it is interesting that you did not choose social work. You chose a bloke’s career, really, what we stereotypically know: the trades are for men, largely. There is something also about exploring the opportunities in trades for women, but you cannot do that unless you fix the culture of the places that women are going to. It is a bit like needing more than one attack, for want of a better expression. But absolutely, it would be great to say to young people, ‘Here are your opportunities. This is what is likely to happen,’ so do a pattern for them, provide them with some information and ask, ‘Do you really want this to happen?’ When I had a look at the issue of pocket money, I was staggered. So I think if we could in some way provide information to young people and to parents that would be helpful—and pretty simple.

**Mr RAMSEY**—That pocket-money figure is unlikely to be within families.

**Ms Dale**—Yes. You would hope not, wouldn’t you?

**Mr RAMSEY**—It is just that the people over here with the boys are giving their kids more than the people over there with the girls.

**Ms Dale**—Yes, that is exactly right.

**Mr RAMSEY**—Organising pocket money levels for any family compared with the Joneses over the road is always fraught.

**Ms Dale**—Absolutely. They would all say, ‘So-and-so gets more than me,’ but now we know that is true.

**Mr RAMSEY**—I have never heard anyone argue for the lower figure.

**Ms Dale**—No. I think that is absolutely true. What was staggering for me in that was the systemic nature of it. If we had a girl and a boy, we would probably give them both the same amount of money, if we gave them anything, but that picked up the systemic nature of it.

**CHAIR**—The issue for me, which did not have the impact I expected, was having children versus not having children. I still think it is the most significant factor when it comes to things like superannuation and retirement incomes, but not necessarily. I was wondering how they made up that \$1 million that the NATSEM report talked about the other day. For a young man and a young woman starting off together, the average gap is \$1 million now, I know.

**Mr HAASE**—It is easy. I looked at the \$1 million and divided it up—a piece of cake.

**Ms Dale**—It is amazing when you look at the end figure, isn't it? It is quite staggering.

**Mr HAASE**—Rowan asked the question would the situation be reversed exactly had they made different career choices. You say that, no, it is still different. We have discussed before in committee that it reflects the fact that a man is expected, when employed as a graduate into a company, to progress quickly and become a senior manager and really give to that organisation. Whether we like it or not, the same company, when selecting a female graduate, will say to her, 'We don't expect you to do more than work until you're 25 or 30, and then you'll be going away and leaving us and you won't be making that contribution. Therefore, the market values you less.' That is the thing that we have got to turn around. That is why I am constantly arguing that we need more carrot than stick, because what we have to change is a whole culture.

**Ms Dale**—That is right.

**Mr HAASE**—I think you achieve far more with honey than you do with vinegar.

**Ms Dale**—Yes, I think that is true.

**Mr HAASE**—It was a wonderful submission. Thank you for your attendance here today. If you have been asked to provide any additional information, would you please forward it to the secretary. You will be sent a copy of the transcript of your evidence, to which you can make corrections of grammar and fact. As Hansard may wish to check some details concerning your evidence, would you please check if the reporters have any questions before you leave. Thank you very much.

**Ms Dale**—Thank you.

**CHAIR**—We will do one on politicians, male versus female, and see what the outcome is.

**Ms Dale**—I will send it to you.

**Mr HAASE**—There will be perfect equity, except we of course do not get the child-minding allowances.

[10.23 am]

**KENNA, Ms Susan Amelia, National Industrial Officer, Finance Sector Union of Australia**

**MASSON, Mr Rodney, National Director, Policy and Communications, Finance Sector Union of Australia**

**Mr HAASE**—I welcome to today's hearing representatives of the Finance Sector Union of Australia. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses. We have received a written submission to this inquiry from you. Do you wish to present any additional submissions or make an opening statement? We would like you to do that for five or seven minutes so that we have time for some questions.

**Ms Kenna**—Thank you for the opportunity. I am involved in the work of pay equity within our industry. You have seen our written submission, which goes to some of the key industry factors contributing to the large gender pay gap in our industry, which is one of the highest, and our submission also focused on a comprehensive pay equity audit that we conducted jointly with NAB. I know that you have heard from both Workforce Victoria and NAB. We were reassured yesterday to hear that NAB are committed to a future audit, because we think that is really important.

Today the FSU would like to take the opportunity to draw out some key concerns for our industry that perhaps were not necessarily drawn out in detail in our written submission, to update you on progress with pay equity in our industry, because we are specifically targeting pay equity; to talk about the increasing prevalence of performance pay and the problems this poses for addressing the gender pay gap; the significance of hours of work, overtime and, in particular, unpaid overtime in our industry; and what we believe—and you will not be surprised to hear this—is the need for strong regulation if we are going to try and close the gender pay gap.

In terms of an update on progress since our audit with NAB, we are currently working with another medium-sized bank within a specific state, again with their industrial relations department sponsoring us and that bank to undertake another joint audit, which is fantastic. I am not at liberty to say who they are at this stage, but I will say that the initial findings that we have had with that bank are that the overall average gender pay gap—and you heard about NAB's yesterday—is significantly smaller, and we think that is because pay is far more even within that organisation and there is not a prevalence of performance and market based pay within that organisation, which I think is significant.

In addition, so that it is a matter of public record, we have enterprise agreements with three other employers in the industry, with whom we also have pay equity agreements, and they are Bankwest, St George Bank, which are now part of the Westpac group, and Zurich Insurance. We therefore think that since about 2005-06, when we began this concerted campaign, we have made some progress. However, as one of the industries with the highest gender pay gap, as I

said—which is, on average, 23 per cent—we recognise that progression via cooperation, whilst commendable, is painfully slow. No-one—certainly not the union—has the resources to undertake detailed pay equity audits which lead to long-term change as a priority, unless they are given some carrot, as you suggested. As I said, I think it is time for some regulatory mandatory actions to address the pay gap.

Can I turn briefly then to the increasing prevalence of performance pay and why this poses a problem in our industry. Yesterday NAB were asked why the pay gap seems to be getting larger. We think the current situation at NAB is reflective of the trend across white-collar industries and can be summarised as the reliance on more discretionary forms of pay and, in particular, pay based on performance.

We are disturbed that, since the audit in 2006-07 with NAB, they have introduced a new pay model which, firstly, has eliminated job grades and introduced broadbanded job families and, secondly, relies more heavily on market matching and pay for performance. In an industry which has no discernible and objective pay relativities, we believe this will muddy the waters of pay for our members even more.

We are currently in the process of negotiating a new enterprise agreement with NAB and we do hope to achieve some fixed pay increases in some of those low grades that were touched on yesterday. They would be along the lines of increases that matched CPI. However, in middle management, specialist sales and senior lending roles, pay will become more reliant on performance against target.

As we discovered during the first NAB pay equity audit—and again it was discussed yesterday—there are real bottlenecks within the organisation at levels where female staff may wish to access career progression. These barriers involve matters such as the need to work unsociable hours and the need to work often unpaid overtime in order to achieve target, and again we are concerned that that will get worse and some of those jobs will become even more inaccessible to women with family responsibilities.

The second factor which is related is the recording of hours worked and overtime. Our estimates, as enunciated in our written submission, are that 40 per cent of overtime industry-wide is actually unpaid. An FSU audit of some 356 NAB branches in all states in August-September last year found that 76 per cent of staff had worked overtime in the preceding fortnight and 76 per cent of those had not had their overtime authorised meaning that it would not be paid.

You need to understand that in the retail network people are dealing with heavy workloads within branches. They may need to stay back at the end of the day to catch up on their admin work, to do some reconciliation or to deal with customers. As this is a daily occurrence, it is very difficult for them to stop and do what is required of them, which is to contact their regional executive, who is not within the same workplace, and get authorisation for that overtime. That is impractical and unfair and, not surprisingly, it does not happen. Hence, exorbitant amounts of overtime are being worked on a daily basis, and in the retail network much of this is unpaid.

As an aside, I must say that management's exhortation to staff that they should try and take time off in lieu instead of being paid the overtime is, with respect, quite ridiculous in the current

environment. We are experiencing chronic understaffing at NAB in the retail network, with staff filling in for sick leave or other leave that is not covered by relief, and hence they are part of a vicious cycle of overwork. There is simply no opportunity to take time off.

So why are these pay equity issues? These issues have been around for some time, but they were emerging in a greater sense at the time of the NAB audit in 2007. Since that time, understaffing, excessive workloads and overtime have become the No. 1 issue for NAB staff in retail branches, and we have been in a long-running dispute with NAB around this issue. Recent announcements over the last few weeks and days have cut staff further in the retail network.

As a traditional entry point for part-time women workers, the retail network is a microcosm of how cultural hours of work and pay issues coalesce to affect opportunities for women at NAB. With more pay open to discretion, stronger and often unfair performance targets, and sheer exhaustion from trying to keep up, women are behind the eight ball at being able to access higher paid roles. An example is a branch manager or a personal or business lending role.

The original NAB pay audit, as you heard yesterday, found the biggest gaps in those areas that were dominated by men, and these jobs are still dominated by men. Of course, while the audit did not find that men and women were being directly discriminated against, assumptions about work value, work organisation, hours of work, and performance were built into jobs, placing barriers in front of women which were impossible to overcome.

The FSU highlights these issues in order to stress that no amount of cooperation such as that shown between NAB and FSU at the time of the pay equity audit can overcome these issues in the long term. A plethora of regulation, monitoring and enforcement initiatives is required.

I am sure the committee have heard from several witnesses the view that, if Australian women do not have access to a universal paid parental leave scheme or affordable child care, the framework for full workforce participation will never be present.

Further, while pay is important and we trust that Fair Work Australia will make practical use of their ability to make equal remuneration orders, we believe that the pay and employment equity model adopted in the New Zealand public sector sets a thorough basis for companies addressing the causes of pay inequity, and certainly some of the provisions in the Canadian model, as mentioned in our written submission, are appealing.

From the findings of the NAB audit, this broad approach would appear to be a more comprehensive one than one simply based on analysing pay outcomes, and the two witnesses that you heard from from NAB yesterday I think touched on that. They talked about the cultural factors within NAB that they are trying to address out of some of the findings from the audit.

We note the committee's acknowledgement of the problems of work value when addressing NAB yesterday and highlight that New Zealand, somewhat ambitiously, have also prepared a gender neutral job evaluation tool. I think we are a long way off that, but it is quite tempting to consider, and such a tool would be invaluable in our industry, which is reliant on the Hay model of work evaluation.

Our recommendations go to many of those that the ACTU, for instance, has submitted, and Ms Dale touched on a specialist pay equity unit within Fair Work Australia. With adequate resources for research, inspection and enforcement, that would assist in providing the comprehensive approach required. This unit could complement the work of a body such as EOWA which, as Ms Bowtell commented on, does not have a lot of powers and is fairly under-resourced.

We are heartened by the amendment to the new industrial legislation which will require an interim review of the new modern awards in 2012. However, like other industries, with almost 20 per cent of workers in our industry reliant on awards alone, we believe a pay equity unit in Fair Work Australia could be charged with the task of continually monitoring award provisions. In relation to some of the previous discussion before the committee about the ability of smaller or medium sized businesses to undertake this detailed work, if this pay equity unit was established and targeted to monitor and continually address those matters, as Ms Tkalcovic I think touched on, we do not think the workload would necessarily be onerous on those companies, and certainly it is not an issue for the large companies in our industry.

In our industry there are many flexibility provisions in policy. However, excessive hours and workloads often render these provisions meaningless, so we would say that the continual suggestion of providing more flexible work practices and access to those, while commendable, could become a trap for women and we think that there are enough of those within our industry and, indeed, our industry is often cited for its progress in this area. What we require is more certainty around hours of work, paid overtime and total pay, and hopefully some of the provisions of the fair work legislation will address that, but our recommendations certainly go to a more comprehensive approach in respect to pay equity. I will leave it there.

**Mr HAASE**—Thank you. A question jumps to mind. I did not want to interrupt your delivery, but back to my argument: we do not have a little hurdle here to overcome with legislation; we have a mountain. It is culturally entrenched that ‘women do this’ and ‘men do that’. It begs the question, when you are talking about after initial entry and when you are getting into the promotional bottleneck, given we have equal pay regardless of gender at entry level, why doesn’t the male decide to attend to the traditional area of women, and the female go on and seek the promotion and stay in there and do the additional overtime et cetera?

**Ms Kenna**—We have instances of that in our industry, and there are certainly individual families that make that choice. When we were doing the qualitative work at NAB, we ran focus groups professionally to address some of these issues, and we found that some of the more enlightened managers in some of these high-paid areas had implemented, off their own bat, really good and innovative flexible work practices that some men had taken up. But that was if they were in the position, obviously, to do so and if their partner was able to earn enough to maintain a reasonable standard of income for the family. We are not saying that these provisions are necessarily always required for women but, as the primary caregivers in our society still, we find that there are areas within the banks and insurance companies in particular where discretionary pay is much higher—the earnings are potentially much higher—but the hours required and the hurdles to jump to actually achieve those are just inaccessible to women with family responsibility.

**Mr Masson**—I think it is also about the opportunity that is provided by the employer and the encouragement provided by the employer. It is our experience across our industry that there is a gender bias in roles. Managers will often encourage males into one stream, particularly the sales and lending stream, and females maybe more into the service side, and we know that there is an imbalance in terms of pay and outcomes for people depending on which streams they move into. So there is a particular cultural problem. It is also about the way that people perceive which gender should do which role and then the encouragement and the processes that are put in place by management.

**Mr HAASE**—You have just put yourself in the hot seat for answering the question: why is there this perception? Why is there this culture? Why is there somebody believing that a male could be more successful at making a quid for the institution than a female? Can you give any evidence?

**Mr Masson**—There is a history and there is no total answer here. The work we were undertaking with the NAB was to try and break down some of those historical cultural perceptions. I do not have the absolute answer. I do not have the magic bullet.

**Mr HAASE**—Neither do we.

**Mr Masson**—No. That is right. We think that, through a process of engaging and educating and mandating some of the types of outcomes that we need, we will break down that culture, but if we leave it to the market, as it were, we are running on the same ground, we are not getting anywhere. So we need to intervene and we need some action around it.

**Mr HAASE**—Susan, you were here yesterday when I jumped in on the NAB, talking about their perception that there was no gender pay gap within NAB because at this level there was no gender imbalance and at this level there was no gender imbalance. Do you want to comment on that?

**Ms Kenna**—I do. We cooperated with NAB, and that was a fantastic project, and I am sure Workforce Victoria said the same thing. Obviously, as a competitive commercial enterprise, they are required to keep their information private and we needed to respect that. There was a private internal report around the outcomes of the audit and it showed five key areas where the gap was higher than in other areas. We were able to isolate why that occurred. Some of it was around things like hours of work or culture or bottlenecks within the organisation, but I do not think that you can characterise that then as there being no gender pay gap. The agreement with NAB was always that we would release a public report that IRV or Workforce Victoria could use as a case study and to help others through the process and with the methodology, but I certainly do not agree that there is no pay gap at NAB.

**Mr HAASE**—All right. Your submission is substantial and, in the main, self-explanatory.

**Mr RAMSEY**—You said you have a couple of other major financial institutions going down the road of audits at the moment.

**Ms Kenna**—We have got one in the process and the others are up for it at some point, yes.

**Mr RAMSEY**—Yes. This is basically new ground and the point I am making is that it has been done without compulsion. What arguments have you used for it? Why have they taken it on and what are the chances of that spreading through the rest of the industry, do you think, without us getting out the legislative hammer and saying, ‘You must do it’?

**Ms Kenna**—I think it is commendable. NAB mentioned something yesterday that I had not heard from them before, but that I should have taken for granted, which is that they can get recognition as an employer of choice. They get EOWA recognition. It makes good business sense. With respect to your background, Mr Ramsey, NAB actually agreed to make a pre-Work Choices agreement with us and that is where the audit idea came from. So, as they said yesterday, it was at that time a big cultural change for them. Subsequent organisations have said the same thing. But that was before the current global financial crisis. I do not think pay equity, with respect, is necessarily the first priority in difficult times.

**Mr RAMSEY**—Yes, I think you are right.

**Ms Kenna**—As others, including Ms Dale, have commented, I do not think people even understand what it is in some instances. I think others will do it, but it will be very slow. The union certainly does not have the resources to, at this time, commit full time to working on the audits. We have learnt a lot from the process at NAB.

**Mr RAMSEY**—That does make the point that they are not going to be cheap. They are not so cheap that we would force people to do them.

**Ms Kenna**—For the company we are working with now, we have taken all of the issues we have with data that were explained by Ms Sarder yesterday, and we have cut them. We have used the Western Australian government’s pay model to pump the data in. It has been very simple because we have learnt from last time. We have been there to encourage that, we have been there with our expertise to suggest that that happen, and the whole process will not take very long. But unless there is a universal commitment to resources for education, for providing those packages and for providing some sort of framework for that to happen, I do not think it will happen very quickly.

**Mr RAMSEY**—I come back once again to this bank situation. I know it is not the only area FSU is involved in, but it is a major one. We touched on this yesterday when NAB were here: that in the banking sector the teller is the entry-level job.

**Ms Kenna**—Yes.

**Mr RAMSEY**—What would be a good outcome, in the end, is that the job of being a teller is valued up in comparison to virtually everything else around it—and I do not know what kind of market signal that sends in the bank about being a teller first and then going into another job or whatever—or that we have equity in male/female uptake into its ranks so that, instead of being seen as a predominantly female occupation, it become more even. I know we will look at the overall figure and say ‘male/female’, ‘average earnings over a lifetime’. We can use whatever measure we like. But somewhere along the line there are also other milestones. If we had

male/female representation across that teller line, is that a good outcome, or should tellers all be paid at that next level of sales consultants or whatever?

**Ms Kenna**—It is a complex issue with complex solutions. Again, in the NAB project—and I do not think this is giving away anything that is commercial-in-confidence—we found that, of the people coming in to do teller work, it was the males that were leaving into higher paid roles very quickly; within the year. There are a lot of part-time women who ‘choose’, for want of a better word, to undertake that role because there might be the flexibility of being close to home, although that is changing. But there is the issue, again, of the banks in particular talking about their customer service and how much they value that and the knowledge, and you find that there are a lot of middle-aged-plus women in those areas with a wealth of experience.

**Mr RAMSEY**—Yes. Can I just digress? What is the male/female comparison for entry-level school leavers taking up teller jobs? And I do understand there would be quite a few women coming back later in life to those types of positions as well.

**Ms Kenna**—Yes. I do not have exact figures on me. The only thing I do know is that the men do not stick around, and I could talk about that forever, but I will not.

**Mr HAASE**—I realise that sometimes it is very frustrating not having the opportunity to—I was going to say grill you at length. I did not mean that!

**Mr SYMON**—What percentage of your membership are female?

**Ms Kenna**—Sixty to 70 per cent.

**Mr SYMON**—Do you know what percentage of your members work part time?

**Ms Kenna**—Not in terms of members, but it is around 70 per cent across the industry.

**Mr SYMON**—Okay. It should flow through.

**Ms Kenna**—Sorry. Around 70 per cent of part-timers in the industry are women.

**Mr SYMON**—That is even better.

**Ms Kenna**—Yes.

**Mr SYMON**—You were talking about the amount of unpaid overtime being worked and, consequently, based on those figures, it is going to affect far more women than it is men.

**Ms Kenna**—Yes. That is why it is such a huge issue.

**Mr SYMON**—You especially mentioned the issue of time off in lieu not being taken, and I am struggling with this concept, so just bear me out. Someone works an extra hour. Where I come from, that will be paid as overtime, although in some areas it will be paid as normal time with some time credited to a time off in lieu bank.

Are there formal time-off-in-lieu banks that are run by banks for their employees? If they work an extra six hours in a week, does that exist on paper somewhere or is it just an informal arrangement?

**Ms Kenna**—The award and agreement say that you get paid the overtime unless you agree to take time in lieu. But what we are finding in the retail network, as I said, is that the workloads are so excessive that overtime is a daily occurrence. So saying to Mrs Bloggs, who is waiting in the queue, ‘Can you just wait while I log in, go into the online system and get my overtime approved?’ is a problem. To be fair, we have put to NAB in the current enterprise bargaining negotiations that we need a quick fix for this one. But it is as simple as that.

You have people across the network, across the country, who are doing that every day. Depending on the personality or the way in which a local manager manages things, there may be some informal ways in which they can overcome that at a local level, but across the board their local manager cannot approve that day to day. They have to have their regional manager approve that. So unless they enter it in the system, it does not show up as overtime for pay or overtime for time in lieu.

**Mr SYMON**—So it literally disappears?

**Ms Kenna**—It could disappear, yes.

**Mr SYMON**—These, I take it, are all people that work for an hourly wage, not for an annual salary.

**Ms Kenna**—No, they are permanent part-timers, often with long service. We have very few casuals.

**Mr SYMON**—But they get paid by the hour over the year?

**Ms Kenna**—Yes.

**Mr SYMON**—So there is no overtime component in that wage?

**Ms Kenna**—Absolutely not.

**Mr SYMON**—I was just trying to establish that. Again that leads me back to—and it is a consistent question I ask—the unmeasurables, the intangibles, the things that are out there that statistics do not pick up, the ones we have been looking at. When you are talking about a substantial number of people working for free, that is another thing to throw in the mix. I have a list of things that are not able to be graphed. I suppose they are if you ask the right questions, but they are not necessarily asked in the data that is usually looked at.

That leads me to training. I note on page 11 of your submission you talk about the lack of training for entry-level tellers, in that it is not guaranteed, and that your group of part-timers are the ones more likely to forgo training and their days off so that they can actually serve customers.

**Ms Kenna**—Yes. Again, because of this work intensification issue, which has a lot of ramifications, there are no relief staff to say, ‘You three people have half a day off to go and do some formal training.’ There are online modules that they are expected to complete. They either do it in their own time at home or they try to find time during the day at work. If they are part time, particularly, that can be nearly impossible.

**Mr SYMON**—The problems we are looking are privacy and secrecy, which I suppose tie in with the lack of transparency as well, but if there were particular payments or nonpayments going on with an employee, a member of yours, compared to another employee, how do you propose to see through that? At the moment it would seem that the corporate entity knows what is going on, at some level. In terms of an employee being disadvantaged against another, how is that rectified? How do you break through that wall of privacy and secrecy?

**Ms Kenna**—Obviously we have access to our members’ records, and right of entry is an important element in all of this, as the ACTU have stated. People can be dismissed in our industry—we fight it, but people can be dismissed—for revealing their salary, and we are not necessarily talking about highly paid people.

Obviously we are yet to see the regulations for the fair work legislation, but any provisions around pay slips and record-keeping for organisations have to be specific in terms of actual time worked—not just weekly wages, but daily wages, all overtime, bonuses and allowances and so on. Most of that is in the current regulations but it could be improved.

**Mr Masson**—It also goes to the point of having to have the employer sign up to the process to make any of the procedures around equity audits and so forth valuable, because without it—you are right—we have that problem of trying to access the information. We just would not know. That goes to the point of, how do we compel them to sign up? Going back to the initial question, part of that is by, frankly, embarrassing them, by naming and shaming them, by showing the statistics that say, ‘In our industry, we are the worst of all industries, so how do we fix that?’ It is about using their corporate social responsibility, but I think in the end it is about compelling them by mandating some sort of process.

**Mr SYMON**—Thank you.

**CHAIR**—I will try to get a question out but, forgive me, I have gotten worse during the course of the day. On performance based pay, I understand the concerns that you are raising with that because, frankly, there may already be a bias or problems in the system. For example, if you think that people who are available to do lots of unpaid overtime are the people who are really committed to your workplace, that may get them an extra tick. But if I am a part-time woman worker that has to pick my child up at a certain time and I am out of there at the end of the shift, the perception can be that I am not as committed to the workplace as others. Is that something that can be addressed in the same way that it has tried to be addressed for senior executives? Your industry is pretty outstanding at the moment for some of the extraordinary payments it has made to people and the lack of openness and accountability about those payments. It seems to me that getting bonuses for winding up in a pretty bad situation is not uncommon in your industry either. Is disclosure behind bonuses something that can be required of private

companies? Because that is what performance based pay is, isn't it? It is really top-ups on top of existing rates of pay.

**Mr Masson**—I will let Sue come in in a minute, but that is a really interesting question. In the current environment, one of the things that we have been arguing is that there is a need to look at executive remuneration and move it away from short-term risk-taking incentives because of the problems that we have seen emerge from the US and because of the short-term thinking that that drives. You then have a cascading process that happens throughout the culture of the organisation, so it will start from the top and work its way down. It is often supported by fairly systemic bullying and harassment around making sure we meet short-term outcomes. In the main, in the banking sector, that will be sales targets, and bonuses will be strictly based on your capacity to sell as many mortgages as possible, in terms of volume, and you then receive those bonuses. There are also behavioural and other intangible assessments that happen around performance pay.

So our concern is that, if we move to a complete performance pay model, we will exacerbate the problem with the pay equity issue, that it will become more of a secret, management-prerogative-driven thing where certain behaviours will be rewarded and others will not. Our concern is that we will lose some of the focus on professionalism and a focus on fairness and equity through the pay system if that is where we travel. That is certainly where a number of the major employers are heading at the moment: to purely performance based pay.

**CHAIR**—On the other side of that, before we go to Susan, I have been around a long time and I used to be a union official. I always remember my previous secretary saying to me, 'We are a union of workers and not a union of bludgers.' I think we have all been in workplaces where some people are carried, so you can understand why a boss might want some sort of payment system that allows him or her to genuinely reward a productive, performing employee.

**Mr Masson**—Absolutely. Our position, and our members' position, is not that we want to eradicate performance pay per se. It is that we want to make sure that it is underpinned by appropriate across the board—

**CHAIR**—Transparency.

**Mr Masson**—cost of living wage increases and that it is a transparent process, absolutely, and that it does not set up a mechanism by which discrimination or pay inequity becomes entrenched.

**Ms Kenna**—I think Rod said it all in the last sentence. As he said, we are not opposed per se. In fact, lots of our members love it, particularly young men, who think they are great performers—they probably are.

**CHAIR**—It falls off with age!

**Ms Kenna**—They lose the confidence, you think? We are not necessarily talking about people on huge amounts of money, either. In some instances we are talking about pre-management people, particularly in the technology areas in some of the banks, who may not have had an

actual pay increase. We have had some for up to seven years, because the market does not warrant it, so they are not even keeping up with inflation. That is an important point to make, too: that we just need that underpinned by a safety net of certainty.

**CHAIR**—I think I heard you say that you are using the Western Australian Pay Equity Unit's tool, and your experience is that that is a far simpler tool than EOWA, which is what I think was used for NAB.

**Ms Kenna**—Yes. For NAB we amended the EOWA one. NAB is so huge and at that stage there were 700 grades or something—it is all there in the report—that often did not bear any relationship to each other, so it was really hard to work through the data. I think the EOWA tool is a bit too complex. The Western Australian one is really good. All you need is Excel, you set it up and you pump in the data, and it has worked really quickly and well.

**CHAIR**—Does it leave any of those big decisions that they clearly had at NAB about what went into and what didn't go into determining pay levels?

**Ms Kenna**—We basically used the same criteria as we did at NAB. It is just a lot clearer in terms of how it sets out the business unit and pay ranges. It is probably simpler, as I say, because it is a smaller bank. We are looking at a medium-sized bank now, so there is not as much data or variation in the data.

**Mr HAASE**—This is a left field thought: when you were putting your case, I wondered if you had predicated the whole issue of gender pay equity on the basis that, if that occurred in reality, the employers in your industry would have more money invested, but I have now decided that some of the comments you have made do not indicate that, so it is all right!

If you have been asked to provide any additional information, would you please forward it to the secretary. You will be sent a copy of the transcript of your evidence, to which you can make corrections of grammar and/or fact. As Hansard may wish to check some details concerning your evidence, would you please check if the reporters have any questions before you leave. I thank you for your evidence and for being here today.

**Proceedings suspended from 11.04 am to 11.15 am**

**CHAI, Dr Siew Yeen, Senior Research Fellow, Howard Florey Institute**

**HILL, Dr Elisa Llewellyn, Senior Research Officer, Howard Florey Institute**

**NERI, Mr Rodi Morris, Human Resources Manager, Howard Florey Institute**

**Mr HAASE**—I now welcome representatives of the Howard Florey Institute to today's hearing. Does anyone wish to say anything about the capacity in which they appear?

**Mr Neri**—I have been with the organisation for 12 months and am a member of the Women in Science Group there as well.

**Dr Chai**—I am also the chair of the Women in Science Group within the Howard Florey Institute.

**Dr Hill**—I am the secretary of the Women in Science Group and I have been at the Howard Florey Institute for approximately seven years.

**Mr HAASE**—Although the committee does not require you to give evidence under oath, I should advise you that the hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses. We have received a written submission to this inquiry from you. Do you wish to present any additional submissions or make an opening statement? I would appreciate it if you did for five to seven minutes and then give us the opportunity to ask some pertinent questions.

**Mr Neri**—First of all, we would like to thank you for the opportunity of presenting to the committee. We want to quickly touch on the initiatives that we have already tabled, as well as talk a little bit about the Women in Science Group and its terms of reference and its purpose and undertakings. Siew Yeen Chai will also talk about industry-wide issues that we face—in particular, NHMRC funding requirements—and Elisa Hill will talk about her personal experiences.

**Mr HAASE**—Thank you. Please go ahead.

**Mr Neri**—The initiatives, which we have tabled, include 20 weeks paid maternity leave; the introduction of flexible work arrangements throughout the workforce; 10 days family leave provisions for supporting members of the family, which comes out of sick leave; a 48-52 working year, so staff have the opportunity to apply for that, which allows for eight weeks annual leave throughout the year, which allows staff to take time off during school holidays and a bit more workplace flexibility; and harassment and discrimination policies that we have throughout the institute, which is generally modelled on the University of Melbourne, given we are affiliated with them.

The Women in Science Group was initiated in October last year. It recognised that there were some issues, with women not progressing throughout the organisation as you would expect.

Looking at some of the figures for PhD students coming through, females represented 65 per cent of students coming through the system. That number has steadily grown over the years, but we have found that the numbers have dropped off in terms of progression, moving up the career ladder, so that is something we want to address where we can. There are certainly some industry-wide issues that Siew Yeen will touch on in relation to that.

The Women in Science Group has been formed to identify issues in the workplace which impact on the progression and scientific career development outcomes of women at HFI. The group has undertaken to identify issues which impede career progression, to provide education, to improve career development opportunities across the institute, to develop guidelines and to address any identified workplace issues, to promote transparency in relation to maternity leave and provide support to ensure the continuation of research whilst away from the workplace, to increase awareness and to lobby throughout the sector to improve general outcomes for women in science, and to explore all avenues of funding sources to support women during periods of career interruption. That group has got broad representation across the organisation, from PhD students right through to senior research fellows. I will pass to Siew Yeen Chai, who will talk about some industry-wide issues.

**Dr Chai**—In relation to a career in medical research, we are highly dependent on federal grant funding from the National Health and Medical Research Council—the NHMRC—so we have very structures within the NHMRC that guide our pay progression, and we have very strict criteria we have to fulfil at every level. Our fellowships within the career structure are renewed every five years based on performance indicators that are easily measured. Within the NHMRC system, unfortunately, there are quite archaic policies with regard to no accommodation for women who would like to return back from parental leave on a part-time basis. All our career fellowship schemes, except for clinical fellowships, are based on full-time research fellows, so if we want to come back part time we cannot enter the fellowship scheme, or we are seen as not competitive within the fellowship scheme.

**Dr Hill**—I would like to speak from personal experience. As Siew Yeen outlined, in order to succeed in our profession we need to successfully compete for government funding.

I am a career-focused neuroscientist and since I started my PhD I have attracted both international and Australian government funding. I am also the mother of two children. I had one child in Paris during a postdoctoral period after my PhD and one child here in Melbourne, and I would like to talk to you about the experiences that I had surrounding maternity leave, both during postdoctoral training periods and in the different environments.

While the Howard Florey Institute has recently implemented policies to assist women in the workplace, there is still quite some room for improvement, both in government policy and in the workplace environment. In relation to support and attitudes towards female researchers taking mid-career maternity leave, I would like to highlight some issues that occur around this time during career progression. Even prior to taking maternity leave, there are issues that impact career progression for female scientists. Firstly, in just notifying lab heads, who are generally male because our industry is dominated by males, there is a feeling of angst by female researchers and there is, I would say, general disapproval by lab heads when pregnancies are announced, and this is because until very recently funding for maternity leave came directly from the lab research

budget. This has been improved through policies put in place at our institute, where it is now mandatory for all labs to contribute a percentage of their research funding to a central pot which then funds the institute maternity leave. However, it could still be improved to reduce gender bias by funding maternity leave directly from the government so that the research budget is not drained.

Also, prior to taking maternity leave female researchers quite often have a feeling of being sidelined—in that people are saying, ‘She’s about to take maternity leave,’—and they may not be invited to meetings. It reduces their ability to contribute to decisions on their own projects, which can affect their output. In my own case, my appraisal was due to come up when I went on maternity leave and I asked for an earlier appraisal date. This was not given and, as a result, it was delayed more than a year.

**CHAIR**—Appraisals being necessary for promotion?

**Dr Hill**—Exactly, and they are supposed to be mandatory every year. We have a right to have an appraisal. That was prior to maternity leave. During maternity leave there are obviously some issues for female scientists. From personal experience, I had my research project handed to a colleague, and I was not able to continue working on it when I returned to work. This was pretty serious, because I received federal funding to work on this project. My research output was affected and, therefore, my career progression. This has also happened to other female researchers.

**Mr HAASE**—Did it affect the formal acquittal of that funding?

**Dr Hill**—There could be improvements made to the way funding is followed. We sign a form as researchers saying that we are responsible for the money that we have attracted for research. That is often not followed up. We do not always have control over these funds. I will just leave you with that point.

On returning from maternity leave, there are some great policies in place, as I pointed out before. There is the opportunity for flexible work hours. In our enterprise bargaining agreement we are supposedly entitled to 20 weeks maternity leave, which does not always occur for researchers. The dedication to research is often questioned when you return from maternity leave. On three occasions I was asked, ‘Do you think you should go part time?’ ‘Do you really think you’ll be eligible for funding in the future due to your parental duties?’ ‘What does your husband do for a living?’ There are some serious issues. The people asking these questions are all male—senior members of the institute—and are the people who are nurturing me for future career opportunities, so there is a problem there. All these factors, directly or indirectly, lead to a loss of publications and therefore delayed promotion and longer term salary loss.

**Mr Neri**—What underpins that is the need to produce. You have a three-year grant period. If you take any time off over that period, you are behind the eight ball in terms of producing outcomes, and it is all measured on those outcomes. There is no extension of that at the end of your grant period—if someone goes on maternity leave, for example—so it puts a lot of pressure on in terms of having to be there and produce.

**Mr RAMSEY**—What is the solution?

**Dr Hill**—I would like to compare that to my time in France. There were some good points about the policies there. I did not have the same feeling of disapproval when I took maternity leave. It is funded from the government directly and I think that makes a big difference. The attitude in the workplace was different. I was able to come back even two days a week, continue my project and keep on publishing, even while I was not back at work full time, and that was critical to my career and enabled me to get NHMRC funding to relocate myself and my family and pay my salary from 2006 to 2008. That was really important. Also, the child-care arrangements in Europe are much more flexible. The cost of child care is based on household income, so there is more incentive for females to get back into the workplace. You often hear, ‘I don’t earn enough to justify paying a child-care centre to look after my children.’ I felt that that made a difference as well.

**Mr RAMSEY**—The cost of child care is based on household income?

**Dr Hill**—It is very much more expensive here.

**CHAIR**—Because it is being subsidised—

**Dr Hill**—By the government, I suspect.

**CHAIR**—by the government.

**Dr Hill**—I paid €8 for a day, which is like A\$8.

**Mr RAMSEY**—That would not be because they are using cheap labour that may well come from out of the country?

**Dr Hill**—No. It was an amazingly high standard of child care. A masters student in psychology was one of the carers.

**Dr Chai**—We also have written a letter to NHMRC urging changes to the policy to make it more women-friendly, because we have to compete in the open marketplace for research grants and for our own salaries. They do put provisions in place whereby they judge our performance relative to opportunity—opportunity for funding, opportunity for career development—but it is not known if this is taken very seriously. Our fellowships and our grants are reviewed by our peers, and most of our peers are men, and they may not make provision for career interruptions for women. As this may not be taken into consideration we have appealed to NHMRC for our productivity to be measured relative to the opportunity that has been given to us.

**CHAIR**—There is all this effort going into trying to attract more people, especially more women, into science and maths and this is the first time I have heard the employment related issues for scientists. I can understand why somebody at uni would try to think of something else to do with their science degree rather than go into research, if these are the sorts of issues that confront them.

**Dr Hill**—Siew Yeen Chai is the only female senior scientist in our entire institute. That does not send a very good message to upcoming female scientists.

**CHAIR**—Tell me about it! I am a woman politician.

**Dr Chai**—I have taken a very keen interest in the representation of women within the senior levels of the scientific community. I have tracked our progression over the past 10 years, and we have trained on average equal numbers of female and male PhD students. Over the last 10 years I am still the only woman in the senior faculty within the Howard Florey Institute, so it has not progressed to a stage where we are training up these women and providing a nurturing environment to move them up the career path. Somewhere along the line they have all dropped off. They figure it is a bit too hard to compete in the open marketplace with men, who have experienced very few or no career interruptions.

Within the scientific community a break in your career is a really significant issue. When I took my first maternity leave, there was a major breakthrough within the field I was working in, and I was way behind when I returned after my one year of maternity leave.

**CHAIR**—But there is an expectation by the institute that you will keep up with any developments in your field of expertise?

**Dr Chai**—Yes. When I was on maternity leave I had access to all my papers. I was writing my papers while I was on leave, as I was caring for a child.

**Dr Hill**—We all do that. We keep working.

**Mr Neri**—I think that is an industry expectation, as mentioned before, because your funding potentially could cease at the end of the three years and if you are not producing the papers and the results, then you are very disadvantaged in that regard. Siew Yeen mentioned on the way here that there are five research staff that rely on her to be able to get grants through and support their research, so there is quite a bit of pressure there.

**CHAIR**—This is unique for the scientific community and this sort of research based institute.

**Mr Neri**—Yes.

**CHAIR**—In universities, the issues are more associated with tenure and teaching hours and that sort of stuff.

**Dr Chai**—It is unique for the medical research institutes and full-time researchers, yes.

**Mr RAMSEY**—The three-year funding cycle, though, is quite common across all scientific areas, and it is a great problem for lots of other reasons: career progression and planning and certainty and all these things, and having a long-term vision for where the research program goes. There are hundreds of reasons. Having said that, there are many who argue that it gives the best results, too. The chances of fixing up your three-year funding cycle are probably pretty remote. It is about how you work within it and stay engaged in that period, and there is no

simple answer for that, is there? If you are going to have children and have time away from the workforce, somewhere along the line either you stay engaged or you run that risk of getting behind. If you have a solution, we would love to hear it, but I do not know that there is any easy way around it.

**Mr Neri**—Some grants do provide for extensions, and we are proposing that that applies to all research grants.

**CHAIR**—And, given the small number of women, it is not just about going off to have babies.

**Mr Neri**—No, that is right.

**Dr Hill**—There are women who have not had children and they still have not made it to the top of the heap.

**Mr RAMSEY**—No. I was going to ask about that. There must be plenty of examples of people who have not had children.

**Dr Chai**—But this is an industry-wide issue. There is a lot of awareness now, even within the United States, which is really at the forefront of medical research; the science that is coming out of the US is touted as the golden standard. But even within those institutions, women have felt that they have been discriminated against. The president of Harvard University came out with an outrageous comment: ‘Women are wired differently in the brain and so they may not have the aptitude for science and mathematically driven disciplines.’ That sort of discrimination occurs even within the scientific community within Australia.

We have not measured productivity in Australia, but in the US productivity was measured in terms of the research output—papers, invitations to write book chapters, presentations at international conferences—and, of women and men who were at par in terms of prior activity, the women were seen to have contributed less to the scientific community. That is, unfortunately, a discrimination that is industry-wide.

**Mr HAASE**—Do you accept that, try as we might, we are never going to make men and women equal?

**CHAIR**—We are never going to make them the same, you mean?

**Mr HAASE**—The same; equal. Equal; the same. I interchange the words. There must be, had you thought about it, an end margin. Strive as we may, I do not accept that we are going to come up with the perfect affordable situation where there is no difference in outcome. They are brave words, perhaps, in this environment, but I am just wondering if you think that there will be a point that would be acceptable by today’s standards where you might accept that that is as far as we might reasonably go—for instance, the extension of terms, availability of funds to pay for your absence from the workplace, heavily funded child care et cetera. Is there a point at which you would suggest we have significantly achieved the goal, and what margin would that leave?

**Dr Hill**—A step in the right direction would be more transparency in how the funding is awarded so that it is clear to everyone how those decisions were made. Then there is no argument that there was discrimination.

**Dr Chai**—We are more asking for changes in mindset and perception rather than affirmative action.

**Mr HAASE**—That would follow. If you changed the gender of the decision makers and, therefore, the mindset, that would be perhaps self-fulfilling.

**Dr Chai**—Yes. To encourage women to move up the career ladder so that they take up decision-making positions would be a first step. We are not even there yet. We do not have women progressing up the career path to a stage where they can contribute very much.

**CHAIR**—As part of the NHMRC funding, is there some sort of check-off system to ensure that your institute complies with certain minimum standards?

**Dr Chai**—Yes.

**CHAIR**—Therefore, it might be reasonable to build a couple of standards in there whereby an institute like yours might be rewarded for taking these initiatives. It might get a higher accreditation. Or it could be about making it acceptable that a certain percentage of the grant funds are allocated to the funding of maternity leave or the like, because you can almost imagine the lab being a bit reluctant to take on women if they know they have to fund maternity leave somewhere down the track.

**Dr Chai**—Yes.

**CHAIR**—It is a bit like that woman geologist out there in the field: all she wants is the door to the toilets. I was ready to get her toilets and showers, and all she wanted was a door to the toilets. That was a good start. But I do not even know the gender composition of the NHMRC—

**Dr Chai**—I have got that. Can I table that?

**CHAIR**—Yes.

**Dr Chai**—Within the NHMRC, they have measured success rates of project grant applications and also the career awards that they give to senior scientists. Within the project grants system, which is what Elisa is funded on, 17 per cent of all female applicants were successful in obtaining funding and 24 per cent of all male applicants were successful, so there is already a gender difference. You could argue that it is because females have less scientific aptitude.

**CHAIR**—No, I doubt that.

**Dr Chai**—That has been the argument perpetuated within the industry.

**CHAIR**—Yes.

**Dr Chai**—Within the scholarships or training of PhD students, 44 per cent of all female applicants and 55 per cent of all male applicants were successful, so the percentages are closer, and within the career awards, which is the senior scientist level, we get a five-year cycle of funding from NHMRC; just our salary component alone. Thirty per cent of all females were successful and about 46 per cent of males were successful, so even there there is a gender difference.

**Mr RAMSEY**—Just on PhD completion, what is the gender balance there at the moment?

**Dr Chai**—At our institute we have about 64 per cent female.

**Mr RAMSEY**—I thought there would be more female than male.

**Dr Chai**—Yes.

**Mr Neri**—And that has been increasing over the years. We have tracked that. Certainly there are more females coming through the system.

**Mr RAMSEY**—If that keeps going, eventually we will have all female management, won't we?

**Dr Chai**—Yes, but they are not getting up to managerial level.

**Dr Hill**—They are going to hit their head on that glass ceiling. That is what is going to happen.

**Mr Neri**—That is right, and it is a real concern. We are losing highly trained research scientists there, and it is a drain of resources, so we need to address it.

**Mr HAASE**—It crosses my mind that if you were hugely successful in your pursuit you may create an industry that was feminised—that is the term that is being used—and then you would be seen as having a gender bias in the opposite direction.

**Dr Hill**—I don't think that's a concern!

**Mr SYMON**—I wanted to ask about the availability of part-time fellowships and why they are available at some levels and not others, when I presume they are funded by the very same body.

**Dr Hill**—Yes.

**Mr SYMON**—Do you have any ideas as to why that should be the case?

**Dr Chai**—No; none whatsoever. We have written a letter to NHMRC asking for a change in policy. The strangest thing is that it is not only the training fellowships that have the part-time component, but you can take on clinical fellowships part time as well, because medically trained research scientists have the option to concentrate both on clinical and research work, so there is

the provision for part-time clinical fellowships. But basic scientists like us do not have the option.

**Mr SYMON**—So I take it that in the areas where there are part-time fellowships available, the grant in dollar terms is no larger because it is funded for the same amount of nominal hours over that period of years.

**Dr Chai**—Yes. We spoke to the chairperson of the fellowship committee, and she told us that when she did the statistics on it, part-time fellows were much more productive in their output compared to full-time fellows.

**Mr SYMON**—Switching subjects a little bit, but going back to where you started off, Rodi, with the paid maternity leave scheme that runs there—20 weeks is obviously well above what we are used to hearing of—is there a paternity component to that as well?

**Mr Neri**—There is, yes, but not quite as generous as that.

**Mr SYMON**—But there is some paid paternity leave?

**Mr Neri**—There is paternity leave, absolutely.

**Mr SYMON**—How many weeks would that be?

**Dr Hill**—I heard recently that in someone's case it was two weeks.

**Mr Neri**—I think that is right.

**Dr Chai**—It is very grim.

**Mr Neri**—Yes, it is a lot less.

**Mr SYMON**—It is better than many others.

**Dr Chai**—We have been fighting for equity and calling it parental leave instead of maternity and paternity leave.

**Mr SYMON**—Yes, but there is obviously more a need from the woman's perspective than from the man's.

**Dr Chai**—Not necessarily.

**Mr Neri**—That's very sexist!

**Mr SYMON**—In the case of the actual time of birth, the mother does not have any choice at all. That is not to say that the father has a great deal of choice—he needs to be there—but there is a particular need, obviously, for the mother to be there. I wanted to take you on to where you

talk about resuming duties part time and the options that you have there: working reduced hours or job-sharing. Is that widely taken up or is that limited by the NHMRC and their grant structures?

**Dr Chai**—No, it is limited by the attitude of the team leader, because the grants are generally given to team leaders. I, for example, am a team leader and I have a lot of part-time staff working for me—women who come back part time, job-sharing. That is not across the board. A lot of scientists think that that would impact on their productivity and they tend to take women back full time rather than part time because it is too disruptive.

**Mr SYMON**—So it is very fragmented, depending on which faculty you are in and which fellowship you are working under?

**Mr Neri**—Yes.

**Mr SYMON**—The other thing I wanted to ask about was the 48-52 working year. I have come across this before but it seems to be rare. How many males and females take up that option? Is it available to everyone?

**Mr Neri**—It is available to everyone, yes, and the take-up is probably 10 per cent of staff.

**Mr RAMSEY**—Can you explain it a bit better to me, Rodi, because I have not come across it at all before.

**Mr Neri**—It allows for an extra four weeks annual leave in the year, so a total of eight weeks, but your salary is reduced proportionately over the course of the year. It is spread out over the 52 weeks. You get paid less but you get more annual leave.

**Mr RAMSEY**—And you accrue it?

**Mr Neri**—Yes, you accrue it over the year.

**Mr RAMSEY**—No, can you carry it over?

**Mr Neri**—We want staff to take it within that 12-month period, and that is reviewed at the end of the 12 months for a further 12-month period.

**Mr RAMSEY**—So the expectation is that you will take your eight weeks of leave within that period?

**Mr Neri**—Yes, that is right. That is the whole idea of it. Annual leave plans should be submitted as well in terms of when staff members should take it, to allow flexibility there.

**Mr SYMON**—So that is really a tick-a-box at the start of each year?

**Mr Neri**—Yes, pretty much. That is right.

**Mr SYMON**—'Yes, I'd like to do the 48-52 instead of the normal.'

**Mr Neri**—That is right.

**Mr SYMON**—Therefore, from the HR side of things, you know that the monthly salary is reduced by that factor.

**Mr Neri**—Yes, correct.

**Mr SYMON**—That is interesting. Is that something that happens elsewhere in your area? Is it unique to what happens at Howard Florey?

**Mr Neri**—No, I have heard of other organisations allowing for 48-52s. I am not sure what the take-up is in terms of other research institutes.

**Dr Chai**—I think Howard Florey is a pioneer at this 48-52. I took it up when I had very young and school-aged children and it is fantastic.

**Mr RAMSEY**—Can I ask whether your work output was any less than if you had worked your full 48 weeks? One of the things we hear commonly is that part-timers—someone on a 0.8, for example—often deliver a full-time equivalent. Given that your industry is very project oriented, did you just complete your work in the three years? When you took your 44-week option, did you just get through the same amount of work you would have got through if you had been there full time?

**Dr Chai**—Absolutely.

**Mr RAMSEY**—So really you just provided a cheap option there.

**Dr Chai**—Yes. We work from home a lot of the time. We have remote access to the computer system and the internet, so we get a lot of our writing done at home.

**Mr RAMSEY**—It is very attractive for the employer to offer it, because they are probably going to get the same amount of work and pay less.

**Mr SYMON**—The last question I had went back to the issue of progression through scientific output and that interruptions in a career represent a significant setback. Is there any way around that?

**Dr Hill**—I think that you cannot be expected to have an output during the time that you are not present in the workplace.

**Mr SYMON**—How do you catch up, or is that impossible?

**Dr Hill**—How do you not get pulled far behind where you should be for that six-month period you are out? That is possibly more the issue.

**Dr Chai**—And you never catch up. For example, in my case, I have a colleague. We finished out PhDs together under the same mentor, we have an almost equal number of publications—that is the measure of our productivity—and we both head a lab. He is a professor and is two levels above me within the NHMRC fellowship scheme. I have taken two years off and I would say that he is 10 years ahead of me now.

**Mr SYMON**—You have both published the same amount? That is what is supposed to be looked at—your publications—but there are other factors in there that are taken into account, obviously.

**Dr Chai**—Yes. He is much more successful in getting grant funding than I am. His lab is 30 people; I have a lab of 10 people.

**Mr Neri**—In relation to the point you made around catching up, one reason we introduced the maternity leave levy on all the teams and centralised that was to allow the research to continue, if that was possible—to get a research assistant or someone to allow the research to keep going to support that—without a financial burden on a specific team necessarily, because it is spread across all the teams and they all contribute to it.

**Mr SYMON**—It would seem that, even with that, there is still a discrepancy at the end.

**Mr Neri**—There will be. There is always going to be a lag but we are minimising that as much as we can.

**Mr HAASE**—I guess it is fair to say that not all of the members of the institute would share our view of the necessity to get more women into science, into the institute.

We have heard evidence upon evidence, in the discussion about the expectation of society for the closing of the gender pay gap and for gender equality, that by and large all are agreeable that it ought to happen. In your institute is that a fair comment, or would you say that those who are there, and are in senior positions, and are male, are quite happy keeping it the way it is? What would your comment be about the indelible nature of that culture?

**Mr Neri**—We are hoping the culture will change a little bit with the appointment of our new director Geoff Donnan, who is very supportive of the Women in Science Group and is looking to progress female scientists through the career structure. Some of it probably goes back to cultural change that we need to put in place and there could be that element that you have raised, where perhaps—

**Mr HAASE**—Could be?

**Mr Neri**—Could be, yes.

**Dr Chai**—There is.

**Mr Neri**—If you look at the statistics, yes.

**Mr HAASE**—Dr Chai is being more candid.

**Dr Chai**—About 50 per cent of the senior scientists are quite resistant to addressing the gender issue. They do not see that it is an issue. They do not see that there is an issue with the lack of representation of women. We have a senior faculty that the director draws upon to get advice and formulate policy. I am the only woman on that board.

**Mr HAASE**—Do you see yourself as the ‘token woman’—you know that dreadful term?

**Dr Chai**—I think I am the token female and the token Asian. I represent two of the three groups.

**Mr HAASE**—I would not have thought it was a repository of rednecks!

**Mr Neri**—No, not really.

**Dr Chai**—It is an old boys’ club.

**Dr Hill**—A good example of that is that, when this one per cent research budget funding for maternity leave was introduced, there was an uproar in this faculty of approximately 40 scientists, of which Siew Yeen is one.

**Mr HAASE**—Maybe we should be encouraged by the fact that, if you have a senior position newly filled, there may be the opportunity to better shape the future as far as grants et cetera are concerned, because what we are not hearing a great deal about in this committee is the cost of change expressed by senior corporate executives or owners or faculty leaders. We are not getting that information, and our task would perhaps be easier if we could focus on the cost of the implementation of some of the decisions that we will contemplate.

**Dr Chai**—Changes to the NHMRC policy would not cost very much, because providing part-time fellowships would be a real advantage.

**Mr HAASE**—But my interpretation of your evidence is that you are suggesting that there is a requirement for productivity in terms of output in time—

**Dr Chai**—Yes.

**Mr HAASE**—and that, if it is interrupted or if it is done part time—therefore over a longer period of total time—the productivity is reduced. That is where I am seeing the problem.

**Dr Chai**—Although you have reduced the salary to a part-time component, productivity is not reduced proportionately. Although you come back two days a week instead of five days a week, your productivity is not two-fifths.

**Mr HAASE**—You say it is greater than two-fifths?

**Dr Chai**—It is, absolutely, greater than two-fifths.

**Mr HAASE**—I am just visualising that if there is a quantum of money here for which we want, after investment, an outcome, we want the outcome in the shortest period of time. The most efficient way of doing that is to invest the money now with full-time research and get the outcome sooner so that the money is better invested.

**Dr Hill**—Make sure senior female scientists who are past the child-bearing age get their fellowships. This would be a good investment.

**Mr HAASE**—It is in the evidence. With the constraints of time, are there any further questions? The committee has agreed that the document *NHMRC research funding facts book May 2007* presented by Dr Chai of the institute be taken as evidence and included in the committee's records as an exhibit.

**Dr Chai**—Can I please also table another document, which is the staff profile at the Howard Florey Institute that I have tracked for 2009 and 2002, tracking across gender within the NHMRC career awards.

**Mr HAASE**—The committee has agreed that the document *Staff profile 2009* from the Howard Florey Institute and presented by Dr Chai be taken as evidence and included in the committee's records as an exhibit. We have dotted the i's and crossed the t's.

I thank you for your attendance here today. If you have been asked to provide any additional information, would you please forward it to the secretary. You will be sent a copy of the transcript of your evidence, to which you can make corrections of grammar and/or fact. As Hansard may wish to check some details concerning your evidence, would you please check with the reporters before you leave. I sincerely thank you for your attendance here today.

Resolved (on motion by **Mr Symon**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 11.58 pm**