



Community and Public Sector Union

Michael Tull ♦ Assistant National Secretary

9 February 2017

Senate Finance and Public Administration Committees
PO Box 6100
Parliament House
Canberra ACT 2600
fpa.sen@aph.gov.au

Dear Committee Secretary

Gender segregation in the workplace and its impact on women's economic equality

The Community and Public Sector Union (CPSU) welcomes the opportunity to make a submission to this inquiry into gender segregation in the workplace and its impact on women's economic equality.

The CPSU is proud of its record of supporting improvement in the working lives of Australian women and regards addressing gender gaps as highly important. As an organisation with a majority female membership and leadership, the CPSU has a long history of campaigning for gender equality, industrially and through public advocacy on matters that include more flexible work arrangements, superannuation payments on unpaid maternity leave and other barriers to women's equal participation in the workplace.

Our submission focuses on the economic consequences of gender segregation for women, including the contribution of industrial and occupational gender segregation to the gender pay gap with a focus on the Australian Public Service. It also highlights concerns that the Coalition Government's current policy in relation to bargaining in Australian Government employment threatens a number of the conditions and working arrangements that support women's workforce participation in Commonwealth Government employment.

Public sector gender gap

The most recent gender pay gap statistics from Workplace Gender Equality Agency indicate that at May 2016 there was a 16.2% gender pay gap in Australia. The private sector gender pay gap was 19.6% compared to a gap of 12.0% in the public sector.¹

¹ Workplace Gender Equality Agency (2016, August), *Gender pay gap statistics*. Retrieved from https://www.wgea.gov.au/sites/default/files/Gender_Pay_Gap_Factsheet_final.pdf

The widespread use of enterprise agreements and transparent pay levels and scales in the public sector helps to standardise pay between women and men, resulting in smaller gender pay gaps than in the private sector, where individual agreements are common and often result in large pay differences between men and women.²

While the public sector has smaller gender gaps than the private sector, there still is much more work to be done. In the Australian Public Service (APS), for example, women remain underrepresented at higher classification levels and there continues to be a gender pay gap between agencies.

Underrepresentation of women in APS senior roles

Remuneration data published by the APSC creates the impression that there is no notable gender gap. The most recent APS Remuneration data for 2015 shows no significant gender pay gap at the median values of each classification level across base salary, total remuneration package and total reward.³ This, however, ignores that women, while constituting 59.0% of the APS, are mostly in lower level classifications⁴ and agencies with higher proportions of women often have lower pay.

Women constitute 62.9% of APS staff, however, men are 51.2% of Executive Level 1 and 2 staff. The gap grows at a Senior Executive Service level with 57.5% being men.⁵ This highlights that while there may not be a gender pay gap at classification levels within agencies, there is significant underrepresentation of women at higher classification levels. This underrepresentation is a significant contributor to the gender gap.

The Commonwealth Government has recognised that women are unrepresented at more senior classifications within the APS and last year released *Balancing the Future: Australian Public Service Gender Equality Strategy 2016–19*. The strategy identified implicit biases and less informal networking opportunities as barriers. It also highlighted that flexible work arrangements are rarely accessed by senior staff and seen as incompatible with the role. The strategy recommended that agencies review current roles and adopt a 'flexible by default' approach.⁶ These are a good start but it ignores other structural causes of gender gaps.

Pay gaps between APS agencies

There is increasing awareness that women are underrepresented at more senior classifications in the APS and strategies have been developed to address this, however, far less attention is paid to the significant pay gaps between agencies at the same classification level.

One factor that contributes to gender pay disparity within the APS is lower pay for the same classification level in agencies employing high proportions of women – for

² Workplace Gender Equality Agency (2016, August), *Gender pay gap statistics*. Retrieved from https://www.wgea.gov.au/sites/default/files/Gender_Pay_Gap_Factsheet.pdf

³ Australian Public Service Commission (2016, 3 August). *APS Remuneration report 2015*. Retrieved from <http://www.apsc.gov.au/publications-and-media/current-publications/remuneration-surveys/aps-remuneration-report-2015/additional-information#c52>

⁴ 30 June 2016 data from the APS Employment Database internet interface

⁵ 30 June 2016 data from the APS Employment Database internet interface

⁶ Australian Government (2016). *Balancing the future: The Australian Public Service gender equality strategy 2016-19*. Retrieved from <http://www.apsc.gov.au/publications-and-media/current-publications/gender-equality-strategy>

example an APS 3 in the Department of Finance is paid \$72,895 per annum while an APS 3 in the Department of Human Services earns \$69,239. Job-related characteristics explain none of the wage differentials for well-paid workers in the public sector.⁷

The CPSU has examined Australian public sector agencies whose maximum pay point, in any of the 8 grades examined (APS 1-EL 2), were in the lowest 10 of all Australian public sector Enterprise Agreements. These are listed in the table below. The results have been cross referenced against workforce size and gender data for these agencies. It is clear that small agencies with a high proportion of female employees are more likely to be at the bottom of the pay pile.

Table 1: Australian Public Sector agencies in 10 lowest paid (for any classification)

AGENCIES IN THE BOTTOM 10 (ANY GRADE)	Total Employees	% Women
Aboriginal Hostels Limited	511	63.0%
Administrative Appeals Tribunal	541	63.6%
Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)	170	55.3%
Australian Centre for International Agricultural Research (ACIAR)	55	56.4%
Austrade	565	54.0%
Australian Institute of Family Studies	82	72.0%
Australian National Maritime Museum	115	54.8%
Australian Public Service Commission	237	71.7%
Australian Institute of Criminology	79	34.2%
Australian Research Council	124	71.8%
Australian War Memorial	302	55.3%
Bureau of Meteorology	1667	30.4%
Australian Sports Anti-doping Authority (ASADA)	290	42.1%
Museum of Australian Democracy (OPH)	97	67.0%
Federal Circuit Court and Family Court	792	74.0%
National Archives of Australia	441	61.9%
National Capital Authority	62	62.9%
National Film and Sound Archive	199	58.8%
Geoscience Australia	601	36.8%
National Library of Australia	456	69.7%
National Museum of Australia	256	69.5%
National Native Title Tribunal	77	72.7%
Torres Strait Regional Authority	148	47.3%
Office of the Commonwealth Department of Public Prosecutions	424	70.0%
Office of the Commonwealth Ombudsman	169	66.9%
Torres Strait Regional Authority	148	47.3%
Screen Australia	12	66.7%

Sources: CPSU Wages Database. Rates are current at 31 December 2016; APSSB June 2016, Federal Court of Australia Annual Report 2015-16, Department of Industry, Innovation and Science Annual Report 2015-16, Australian Institute of Criminology Annual Report 2015-16, Australian Centre for International Agricultural Research Annual Report 2015-16.

⁷ Rebecca Cassells and Anne Daly (2013, 13 March). Economic security: the impact of the gender wage gap on women's economic security. NATSEM. Retrieved from <http://www.natsem.canberra.edu.au/storage/2-Cassells%20-%20DEEWR%20presentation%20final.pdf>

Some agencies fell with in the bottom 10 for only one grade. Other agencies were in the bottom 10 for most classifications. For example, the National Museum of Australia pays below the average for most grades. According to 2015-16 APS Statistical Bulletin, at APS 6 level it has 207 ongoing employees, 143 of whom are women. It pays \$4,585 less than the APS average of \$88,110 for an APS 6.

Impact of APS bargaining policy

The gender pay gap has become worse since APS agreements expired on 30 June 2014 as many of the agencies listed in Table 1 have not yet concluded bargaining and a number of higher paid agencies have agreements and received pay increases (albeit small). Many of these smaller agencies have not concluded bargaining because staff been asked to give up family friendly conditions in return for a below inflation pay rise.

The Coalition Government's bargaining policy has resulted in agencies attempting to remove from APS enterprise agreements a range of conditions and rights that support flexible working arrangements and the workforce participation of those with caring responsibilities. While these attempts have been successful in some cases, for over 100,000 or three-quarters of the people working in the APS these conditions are only being maintained because people are voting no to these cuts in proposed agreements. This is despite voting no extending the time since their last pay rise to more than three years, which demonstrates how important these conditions are.

The recent Senate Inquiry into APS Bargaining heard evidence from both academics and workplace representatives about the negative impact on women in particular of these policies. Dr Sue Williamson and Professor Michael O' Donnell gave evidence at the Inquiry that the current bargaining framework has a disproportionately negative impact on female APS employees. This is because agencies are proposing agreements where gender equality or flexible working arrangements clauses have been amended or removed from some agreements. Their evidence included an example where the right to part-time work on return from parental leave would be dependent on managerial discretion.⁸

The CPSU and a number of CPSU bargaining teams also provided substantial evidence about the impact of the bargaining policy on arrangements that support gender equality.. The following extract from the Inquiry report demonstrates the impact in an agency such as DHS:

DHS has proposed significant changes to employee working conditions in the new agreement that would have a significant effect on the ability of employees with caring responsibilities to manage their work/life balance. Amongst other things, DHS has proposed to:

Remove employees' rights to any control over their own working hours. Currently the system balances the interests of management and staff and requires genuine negotiation of working hours between an employee and their supervisor. If agreement about a suitable pattern of working hours cannot be reached, the agreement contains a safety net for workers; they can opt to revert to 'default hours' (8:30am to 5pm.) Not only has the department

⁸ Dr Sue Williamson and Professor Michael O' Donnell (2016). Submission on the Impact of the Government's Workplace Bargaining Policy and Approach to Commonwealth Public Sector Bargaining. *UNSW Canberra*. p.6.

proposed to remove the rostering protocols that allow staff to have some say over their hours of work, they have recently begun denying staff access to the default hours safety net under the current agreement.

Introduce the ability to roster staff on 'split shifts' (e.g. working from 8am until 12pm and then from 2:30pm until 6pm) or to roster staff according to their average hours for the week instead of for a set amount of hours each day (e.g. staff could be rostered to work 10 hours one day and 6 hours the next). Exclude casual employees from access to yearly salary advancement despite many casual employees being long-term employees working near to standard hours.⁹

The Inquiry report included the following recommendation:

Recommendation 10

7.27 The committee recommends that the government amend its bargaining policy to allow and encourage the retention of access to family friendly conditions, including hours of work protections, to facilitate and support the employment of those with caring responsibilities.¹⁰

The CPSU is concerned that without a change in approach to agency bargaining, particularly around maintenance of family friendly conditions and consultation rights, gender equality in the APS will be severely compromised. This is further compounded by the prohibition on back pay even though agreements expired in June 2014.

CPSU is committed to building productive and effective workplaces. This is central to our vision for quality public services. There is, however, a serious disconnect between the rhetoric and the reality of bargaining and productivity in the APS, which is borne out by the wages data. If the central basis of agency level bargaining since the mid 1990s has been productivity it would be reasonable to presume that any difference in current wages is a direct result of superior productivity, or at least a relative improvement in productivity over time. If this is true then Table 1 would represent the relative productivity of employees across the APS. This is clearly not the case. Instead, the fragmentation of pay structures and agreement making has not only created a gender pay gap between agencies but also created a barrier to rapid implementation of Machinery of Government changes and a significant waste of public resources.

Bargaining provides an opportunity to help address these gaps between agencies, however, given the Government's approach and unwillingness to provide additional wages funding to agencies for bargaining or allow the maintenance of existing family friendly conditions, this gender pay gap is only likely to worsen.

⁹ CPSU Department of Human Services Bargaining Team (2016, 28 October), Inquiry into Impact of the Government's Workplace Bargaining Policy and approach to Commonwealth public sector bargaining. p.4]

¹⁰ Education and Employment References Committee (2016, 30 September). Siege of attrition: the Government's APS Bargaining Policy. *The Senate*. P.44

Territory Public Services

The APS is not our only area of public coverage where these gender pay gaps remain. While it is improving, there continues to be a pay gap and underrepresentation of women at higher classifications in the ACTPS and NTPS.

In the ACTPS, at June 2016 the average salary of women was \$86,442 and the average salary of men was \$89,681.¹¹ The ACTPS workforce is comprised of 13,810 female employees which is equivalent to 65.0% of the workforce (based on headcount).¹² Women in the ACTPS hold 41.5% of Senior Executive positions (an increase of 3.7% since June 2012), and the majority of the ACTPS Directors-General are women. The proportion of women in Senior Executive positions is consistent with the Australian Public Service where a gradual upward trend of women in leadership positions is occurring.

While there is a positive trend with an ever increasing number of women at senior levels in the NTPS, there remains a gender pay gap. In the NTPS, 63% of full-time employees are female. Those earning above median earnings (at the time, \$74,927) were only 58% female. Women were far more likely to earn below median earnings a 69% of those earning below median earnings.¹³

The CPSU is happy to provide information on the matters raised in this submission and supplementary information on other relevant issues.

Yours sincerely

Michael Tull
ASSISTANT NATIONAL SECRETARY

¹¹ ACT Government (2016, October). *State of the Service Report 2015-16*. Retrieved from http://www.cmd.act.gov.au/_data/assets/pdf_file/0003/1016832/SOTS-AnnualReport-2016.pdf

¹² ACT Government (2016, October). *State of the Service Report 2015-16*. Retrieved from http://www.cmd.act.gov.au/_data/assets/pdf_file/0003/1016832/SOTS-AnnualReport-2016.pdf

¹³ Office of the Commissioner for Public Employment (2016, 30 September). *State of the Service Report 2015-16*. NT Government. Retrieved from https://ocpe.nt.gov.au/_data/assets/pdf_file/0009/379557/ocpe-state-of-service-report-2015-2016.pdf