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To Whom It May Concern,

Members of the Tasmanian Women's Council (the Council) are appointed to champion the rights and interests of women in Government decision making.

The Council advises the Tasmanian Government on issues of importance to women and contributes to the development of strategies that address inequality and increase the participation of women in all aspects of society.

The Council appreciates the opportunity to provide a submission to the Senate Standing Committees on Finance and Public Administration inquiry into gender segregation in the workplace and its impact on women's economic equality. Its Members have provided comment on the items of particular reference outlined in the Inquiry's Terms of Reference. Our comments are as follows:

#### Overview

The Council's Action Plan is committed to supporting and furthering actions aligned with the Tasmanian Government's *Tasmanian Women's Plan: 2013 – 2018*, including the Outcome Area of 'Economic Security and Financial Independence.'

The Council recognises that key to improving economic security and financial independence for women is establishing wage parity across industries and occupations.

Of note, the Tasmanian Government has partnered with the University of Tasmania (and some Council Members) to host a forum in February 2017 to inform students about gender pay gap issues and steps to take to reduce the gap.

The gender pay gap has a significant impact on the lives of Tasmanian women. As of November 2015, Tasmanian women in full-time employment earned, on average, \$173.60 per week less

than men.<sup>1</sup> Addressing industrial and occupational segregation in the workforce will be a key step to establishing wage parity for both Tasmanian and Australian women.

- a. the nature and extent of industrial and occupational gender segregation in Australian workplaces relative to comparable jurisdictions, including gender segregation in tertiary education courses;

Traditionally, female-dominated industries and occupations have attracted lower wages than those that are male dominated.<sup>2</sup> Even where tertiary graduates have completed the same course, and other employment characteristics are taken into account, female graduates still earn 4.4% less than their male counterparts. This means that where a male graduate earns \$50,000 in the first year, his female counterpart will only earn \$47,800.<sup>3</sup>

As shown in Figure 1, female employment ratios in Tasmania are highest in the industries of health care and social assistance (80.1%), education and training (69.9%), and accommodation and food services (62.3%).<sup>4</sup>

Figure 1. Industry of employment by sex, Tasmania, 2011

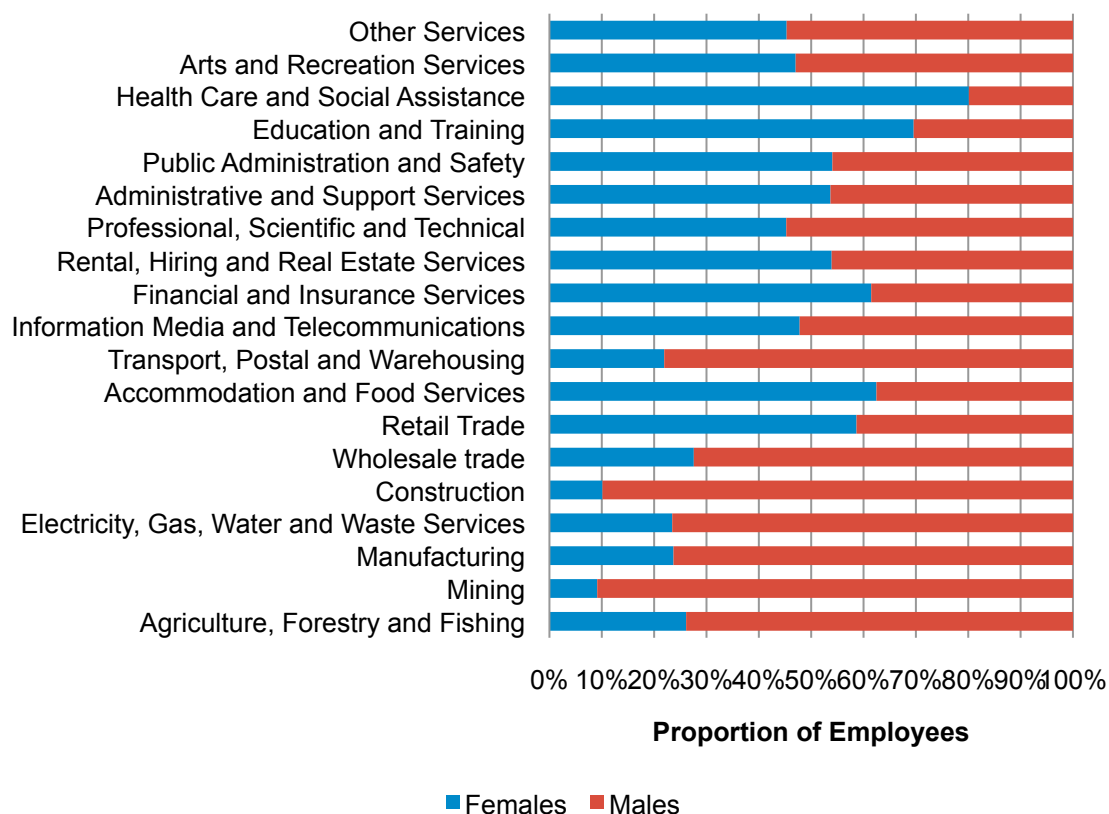
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<sup>1</sup> Australian Bureau of Statistics, 2015 *Average Weekly Earnings, Australia*, Cat No 63020, Table 11F, ABS, Canberra.

<sup>2</sup> Graduate Careers Australia, 2014 *An analysis of the gender wage gap in the Australian graduate labour market*, 2013.

<sup>3</sup> Ibid.

<sup>4</sup> Australian Bureau of Statistics, 2011, *Census of Population, Housing, Basic Community Profile* (Tasmania), Cat No 2001.6, Table B43, ABS, Canberra.



Data source: Australian Bureau of Statistics, 2011, Census of Population and Housing, Basic Community Profile (Tasmania), Catalogue 2001.6, Table B43, ABS, Canberra.

What is significant about these figures is that the top three sectors of female employment also represent lower base salary rates than in male-dominated sectors such as finance, IT and professional and technical services.

In addition to lower rates of remuneration, in sectors dominated by a high female workforce, women are still consistently underrepresented in senior roles. For example, in the health care and social services sectors women represent 40% of senior roles; the education sector is less at 36%; and finance and insurance at 28%.<sup>5</sup>

Women are also under-represented in business, with only 3,194 female owner/managers in incorporated enterprises in Tasmania in 2011, compared with 6,992 male counterparts. In unincorporated enterprises, the representation shifts by only 1%, with women representing only 32.8% of owners/managers.<sup>6</sup>

#### Rural and regional areas

The extent of industrial and occupational gender segregation is also a significant issue facing women in rural and regional Australia.

<sup>5</sup> IBISWorld, 2017, <https://www.ibisworld.com.au/>.

<sup>6</sup> Australian Bureau of Statistics, 2011, Census of Population, Housing, Basic Community Profile (Tasmania), Cat No 2001.6, Table B43, ABS, Canberra.

One third of Australia's women live in rural and remote areas, and while they feature strongly in the food production industries and are most often the backbone to farm management, this is often undertaken in underpaid and/or unpaid roles. The National Rural Women's Coalition (NRWC) has identified that many rural women are engaged in small business, either as primary producers or in businesses supporting primary producers. Accordingly, there is a need for rural women to have access to financial management and business planning development opportunities, including navigating government regulations and laws and marketing. Equipping rural women with these business management skills is key to increasing their equal representation and wage parity in rural small business.

### The work environment

Historically, male-dominated workplaces have been hostile work environments for women, featuring the highest rates of sexual and gender-based harassment through to a lack of facilities provided for female workers.<sup>7</sup>

In many male-dominated workplaces, overt forms of sexual harassment persist as part of accepted work culture, although segregation may also occur through more subtle forms of harassment such as exclusion from meetings, socialising, and promotion. This latter form of gender segregation has been particularly prevalent in professional industries, limiting women's ability to advance their careers.

- b. factors driving industrial and occupational gender segregation in the Australian context;

### 'You can't be what you can't see'

Economist Claudia Goldin's "pollution theory of discrimination" argues that men often underestimate women's skills and abilities based upon their current underrepresentation in certain occupations, and thereby discriminate against women in these occupations on the false assumption that increasing their representation would lower overall productivity.<sup>8</sup>

A further effect of this underrepresentation is its influence on younger generations of women entering tertiary studies and employment – that is, 'you can't be what you can't see.' The lack of visibility of women in traditionally male-dominated fields (including as teachers in male-dominated tertiary subjects, particularly STEM) is a significant contributing factor to ongoing gender segregation in the workforce, and is perhaps indicative of why gender participation in some industries has stagnated where it was increasing twenty years ago.

### Established workplace stereotypes

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<sup>7</sup> McGrew, Will, 2016, Gender segregation at work: "separate by equal" or "inefficient and unfair", Washington Centre for Equitable Growth, <http://equitablegrowth.org/human-capital/gender-segregation-at-work-separate-but-equal-or-inequitable-and-inefficient/>

<sup>8</sup> Ibid.

Occupational surveys and behavioural research conducted in the United States consistently finds that stereotypes of traditionally 'male' and 'female' jobs persist,<sup>9</sup> a finding that is echoed in studies on Australian employment conducted by the Workplace Gender Equality Agency (WGEA).

Beyond its effect on individual workers, occupational segregation also limits the ability of workers to be matched with jobs where they can best leverage their skills and fulfill their ambitions. So not only does this factor explain how segregation limits women's ability to contribute to traditionally male occupations, but also men's ability to contribute to traditionally female occupations. This is an increasingly significant policy issue as globalisation and technology continue to decrease the availability of many predominantly male blue-collar jobs, and men are required to look for other forms of employment.

A growing body of evidence demonstrates that occupational integration helps both sexes contribute to increased productivity of businesses. Research shows that establishing a critical mass of at least 30% women in corporate leadership enhances innovation and overall performance, consistent with behavioural research that gender integration improves teams 'collective intelligence.' Economist Julie Nelson argues that this has a significant influence on the traditionally male-dominated financial sector, with occupational integration decreasing systemic risk driven by masculine-stereotyped behaviors encouraged in sex-segregated environments.<sup>10</sup>

#### Caring roles and childcare costs

Statistically, women are more likely to take on unpaid caring responsibilities which keep them from full-time employment, resulting in them having a more precarious attachment to the workforce, including a reduced ability to progress a career in the absence of full-time employment.

A large contributing factor to this is the lack of availability and the high cost of child care in Australia, which typically results in women taking the lead stay-at-home carer role and/or having to work reduced hours to accommodate caring responsibilities.

#### Participation

Stereotypes about what work women 'should do' and how they should interact with the labour market still have a significant impact on women's decision to apply for jobs in non-traditional industries, and also on the likelihood of them securing work.<sup>11</sup> Australian women are over-represented as part-time workers in low-paid industries and insecure work.

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<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Graduate Careers Australia, 2014 *An analysis of the gender wage gap in the Australian graduate labour market*, 2013.

In August 2015, women represented only 33.2% of people in full-time work in Tasmania but in contrast, represented over 70% of the part-time workforce.<sup>12</sup> These statistics are significant to the broader issue of occupational segregation given the likelihood of women participating in part-time work in female-dominated industries, which, as already discussed, are statistically low-pay occupations.

As previously referred to, women are also more likely than men to organise work arrangements around caring for children, which impacts on their ability to participate in industries where there is traditionally a lack of flexibility to work patterns and long hours of engagement.

- c. economic consequences of gender segregation for women, including the contribution of industrial and occupational gender segregation to the gender pay gap;

Reduced income, superannuation, and increased poverty rates

This submission has already spoken to the fact that remuneration in female-dominated industries is lower than in male-dominated ones. In addition, reporting by WGEA on 2015 data found that even for men participating in female-dominated industries, their base salary was on average over \$14,000 greater than their female counterparts.<sup>13</sup>

The provision of performance pay and other additional remuneration that play a larger role in male-dominated industries compounds the cumulative effect of economic disparity which starts with men's increased ability to earn more than women at the base salary level.<sup>14</sup> Even in male-dominated industries where women have access to additional remuneration, their total remuneration was reported as on average over \$24,000 less than their male counterparts.<sup>15</sup>

This reduced remuneration, and the prevalence of women employed in part-time roles also impacts upon their ability to accrue superannuation over the course of their career. These factors create barriers to women accumulating wealth, meaning they are more likely than men to experience poverty in retirement. An alarming statistic is that 90% of women will have inadequate savings to fund their retirement by the time they exit the labour force.<sup>16</sup>

The ability to accrue superannuation is a further disadvantage for many women in rural and regional Australia, where women are overrepresented among lower paid, casual workers and have limited access to professional care facilities, making it more likely that their career is interrupted as a result of caring responsibilities to children and other family

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12 Australian Bureau of Statistics, 2015 Labour Force, Australia, August 2015, Cat no 6202.0, Table 9, ABS, Canberra.

13 Workplace Gender Equality Agency, 2016, Gender segregation in Australia's workforce, [https://www.wgea.gov.au/sites/default/files/20160801\\_Industry\\_occupational\\_segregation\\_factsheet.pdf](https://www.wgea.gov.au/sites/default/files/20160801_Industry_occupational_segregation_factsheet.pdf).

14 Ibid.

15 Ibid.

16 ANZ, 2015, ANZ Women's Report, ANZ Ltd.

members. In addition, many farm businesses do not build in superannuation components to women who often work as unpaid managers

Gender bias in the workforce can also intersect with other factors, such as location or disability, to increase the chance of women experiencing poverty. While nationally, women statistically are more likely than men to experience poverty, the risk is greater in Tasmania where 15.1% of the population have experienced poverty compared with a national average of 13.9% over the same period.<sup>17</sup>

- d. approaches to addressing gender segregation as it relates to economic inequality and the gender pay gap in comparable jurisdictions; and

The introduction of gender targets or quotas has already had a positive impact on increasing female representation in comparable jurisdictions. For example, in Norway, the 40% minimum requirement for women in corporate boards not only increased female representation but has also had a positive impact on reducing gender wage gaps on boards.<sup>18</sup>

In Australia, Westpac CEO Brian Hartzer has confirmed that the bank would have 50% leadership postings filled by women by 2017. This type of commitment is a possible way to address the inequity across professional groups and private companies.

Of course, it is important that both governments and private enterprise look to increase women's representation across all levels and types of employment. While it may take time for the effects of board and management quotas and targets to trickle-down to entry-level workers, a study by the International Monetary Fund on gender representation in municipal councils in India demonstrated the potential impact, finding that a law mandating increased representation for women dramatically decreased bias against women in the population as a whole while expanding girls' educational opportunities and career aspirations.<sup>19</sup>

Research has also demonstrated that cultivating inclusion in school must start early in order to have a lasting impact on children's beliefs and experiences, with the unnecessary segregation of boys and girls in educational or social activities creating arbitrary categories of "us" and "them," sending a message that opportunities should be determined by their gender.<sup>20</sup> Efforts to counteract gender stereotypes can also help women later on in their careers, with a report by the Institute of Women's Policy Research in the United States

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17 Australian Council of Social Service, 2014 Poverty in Australia 2014, Social Policy Research Centre, University of NSW, p.17.

18 Bertrand, M., Black, S.E., Jensen, S., and Lleras-Muney, A., 2014 *Breaking the Glass Ceiling? The Effect of Board Quotas on Female Labor Market Outcomes in Norway*, <http://ftp.iza.org/dp8266.pdf>.

19 Beaman, L., Duflo, E., Pande, R., and Topalova, P., 2018, Powerful Women: Does Exposure Reduce Bias? CEPR Discussion Paper no. DP6922, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1307512](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1307512).

20 McGrew, Will, 2016, Gender segregation at work: "separate by equal" or "inefficient and unfair", Washington Centre for Equitable Growth, <http://equitablegrowth.org/human-capital/gender-segregation-at-work-separate-but-equal-or-inequitable-and-inefficient/>.

arguing for public-private partnerships to train and match women from “on-ramp occupations” to higher paying traditionally male jobs that require similar skills.<sup>21</sup>

- e. remedies appropriate for Australia, including but not limited to:
  - i. measures to encourage women’s participation in male - dominated occupations and industries,

#### Targets

As described under (d), the introduction of targets (or quotas) in similar jurisdictions has had positive impacts on both the direct level under quota and a ‘top-down’ influence on other levels of employment.

Similarly, federal and state government can look to introduce targets for senior appointments, requiring a minimum appointment of women in upper managerial roles.

The Tasmanian public sector has already adopted this strategy, with the Head of the Tasmanian State Service (TSS) seeking to improve gender diversity by committing to a target of 40% of State Service Senior Executive roles being held by women by 2020. In addition to flexible work arrangements (discussed below), this target is further supported by implementing training in unconscious bias for HR, management, and recruiting officers. To ensure that targets are met, the TSS has also committed to annual reporting to track attraction, recruitment, movement, and retention rates by gender. Such monitoring and reporting mechanisms are crucial to ensuring that any industry engaged in improving gender diversity is accountable for the policies and strategies put in place.

The Tasmanian Government has also committed to a target of 50% representation of women across government boards and committees by July 2020, as outlined in the *Women on Boards Strategy 2015-20*. The strategy is already demonstrating the success of targets; by 30 September 2016, the first report showed that the representation of women had increased from 33.8% (April 2015) to 39.6% (Aug 2016). When looking only at women board members, this represents an increase of around 17%. This strategy is further supported by a dedicated ‘Tasmanian Women’s Register’, a secure on-line database of women who would like to be appointed to government boards and committee, designed to identify women with suitable skills, experience and interest for current vacancies.

This target methodology could also be introduced through male-dominated occupations such as building and construction, via ‘bottom-up’ approaches such as apprentice schemes and/or tax incentives.

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<sup>21</sup> Hegewisch, A., Bendick Jr, M., Gault, B., Hartmann, H., 2016, *Pathways to Equity: Narrowing the Wage Gap by Improving Women’s Access to Good Middle-Skill Jobs*, <http://iwpr.org/publications/pubs/pathways-to-equity-narrowing-the-wage-gap-by-improving-women2019s-access-to-good-middle-skill-jobs>.

Another more strident approach is that of implementing mandatory quotas. Following on from the Australian Institute of Company Directors (AICD) voluntary target of 30% board seats to be filled by women by the end of 2018, the AICD Chair, Elizabeth Proust, recently commented that mandatory quotas may be imposed on ASX listed companies to improve the rate of gender representation, including imposing penalties for listed companies who fail to meet quotas.

#### Flexible work arrangements

The public sector can be a leader in flexible work arrangements, setting an example and impressing influence upon the private sector. The introduction of practices to reduce conflicts between work and family demands include: flexible work schedules, scheduling meetings between 10pm and 4pm, increasing access to company day care, and technology to support remote work.

Businesses can also change the way jobs are structured and/or described to make them gender neutral. For example, application and hiring information can be gender neutral and job descriptions can de-emphasise masculine and feminine stereotypical attributes. The South Australian and New South Wales jurisdictions have introduced five-step processes for implementing flexible work arrangements. This type of structured approach is one example that can be implemented to provide the tools to improve female representation at all levels in the public sector.

The Tasmanian Government is taking significant steps to improve flexible work practices, both directly to inform the senior executive gender target, and more broadly to support all Tasmanian state servants. In August 2016, the Head of Tasmania's State Service and Heads of Departments released *Gender Diversity in the Tasmanian State Service*. The Tasmanian Government has also developed a Diversity Framework to be released in March 2017, which recognises the benefits of having a workforce that reflects the diversity in the population, and the importance of supporting employees' needs in the workplace. Among the benefits of introducing flexible work arrangements, research finds that they are a highly valued job characteristic for young men (under 35); increase women's ability to return to full-time work (where partners are able to access flexible arrangements); and assist organisations to improve workplace productivity and reduce absenteeism<sup>22</sup>. In addition to developing tools and training for managers, and reviewing industrial provisions to improve flexible work practices, one agency, the Department of Premier and Cabinet, has already moved to advertise all vacancies with flexible work options.

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22 Workplace Gender Equality Agency, 2013, *Engaging men in flexible work arrangements*, [https://www.wgea.gov.au/sites/default/files/20130829\\_PP\\_engaging\\_men\\_flex\\_work\\_2.pdf](https://www.wgea.gov.au/sites/default/files/20130829_PP_engaging_men_flex_work_2.pdf)

The work and resources of the WGEA can assist federal and state governments to establish structured programs. Governments can also take a lead role in promoting companies and workplaces that have already introduced flexible work practices. Part of this promotion is communicating the positive impacts of moving to flexible work arrangements, including increased productivity. While resources are already available, the ability for businesses to implement policies can sometimes be challenging; reduced-cost HR training for companies that commit to improve gender representation may be a useful step.

#### Industry networking and cross-fertilisation

Federal and state governments could consider running programs to support cross-fertilisation in the private sector, to establish mechanisms for leaders across different industries to exchange information, ideas, and strategies to help lift women in less paid professions. For example, a notable difficulty in the health care sector (where women are underrepresented in leadership roles) is that clinicians often don't have exposure to other professional groups outside of health and have little formal training in finance, economics, strategy and management. These skills are generic and valid across industry groups.

Targeted programs could consider how to engage immigrant and refugee communities and promote industries to target these groups where there are employment shortages. For example, targeted programs by industry, combined with support from social service providers, can encourage women in migrant communities both to continue their education (and provide necessary supports, such as language) and to consider work in non-traditional occupations. There is also potential for non-traditional industries to also target increased participation from women through supported/funded positions.

#### Awareness-raising at school level

The Council acknowledges the valuable work already being done by the national women's alliance, economicSecurity4Women (eS4W), in developing the *Girls Can Do Anything* website to provide resources and visible role models for Australian schools to promote non-traditional occupations and industries. One Council member, Dr Nicola Goc, is working on a similar project at the University of Tasmania to increase the visibility of women in male-dominated occupations and tertiary study.

Targeted work-experience programs are another means of introducing school age girls to male-dominated workplaces.

- ii. measures to professionalise and improve conditions in female - dominated occupations and industries, and

The Council recognises the valuable and growing body of work conducted by the eS4W to enable communication, tools and advocacy at a federal and state level. It advocates for eS4W's continued funding to allow for liaison across advocacy networks and industries.

The Council has partnered with eS4W on a number of projects and will continue building upon this as part of its focus on economic security for women issues in 2017.

Structured mentoring programs and development programs such as sponsored MBAs (public and privately funded as tax incentives) are another means to professionalise female-dominated industries, by increasing and improving the knowledge, skills and leadership of women in these occupations.

In Tasmania the Government Board Diversity Scholarship Program is a joint initiative of the Tasmanian Government and the AICD.

The Program aims to increase the number of Tasmanian women with the skills needed to serve as a Company Director and/or member of government boards and committees.

The Tasmanian Government is contributing \$150 000 over three years towards the cost of the scholarships, which enable women to participate in the AICD's Company Directors Course and Foundations of Directorship.

Akin to the approach taken by White Ribbon Australia, government and industry could consider engaging male leaders as advocates for gender equity in the workplace, including the equal representation of men in traditionally female-dominate occupations and improved conditions in said occupations, such as health care and social services which is one of the largest growth sectors with Australia's rapidly ageing population.

iii. measures to promote pay equity

The Council recognises the reporting requirements already established under the *Workplace Gender Equality Act 2012* are a valuable step to improving gender equality, including remuneration, in Australian workplaces.

Proactive pay equity initiatives are important to ensure that both public and private organisations have results-based obligations that are carried out as a joint effort between both employer and employee representatives. In addition to the work of WGEA, other international bodies such as the International Labour Office and Equality and Human Rights Commission have developed a number of tools, including guides to gender-neutral job evaluation, to assist businesses improve pay equity.

While these and the WGEA resources are valuable tools, the Council notes that their increased promotion is required, especially across small to medium enterprises. As some of the methodologies are quite extensive, the WGEA could also consider targeted, low resource-intensive methods for small businesses to implement pay equity. Links to WGEA resources and issues around pay equity could also be readily accessible from the Australian Government's [business.gov.au](http://business.gov.au) small business webpages.

Increased promotion of best practice measures and initiatives could be targeted to male-dominated industries by the Fair Work Ombudsman and the Workplace and Gender Equality Agency and through local government to increase reach to small and rural

businesses. Companies that have already implemented pay equity could be engaged as positive and achievable role models.

Thank you for considering this submission.

Yours sincerely

Christine Hepburn  
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Tasmanian Women's Council