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**Submission by the Victorian Government**

*House of Representatives Standing Committee on Employment and  
Workplace Relations*

**Inquiry into pay equity and associated issues related to increasing  
female participation in the workforce**

**26 November 2008**

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**Date:** 26 November 2008

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## **Victorian Government Submission to the Commonwealth Government's Pay Equity Inquiry**

- 1.1. The Victorian Government welcomes the opportunity to make a submission to the House of Representatives Standing Committee on Employment and Workplace Relations Inquiry into pay equity and associated issues related to increasing female participation in the workforce.
- 1.2. This submission addresses each of the specified Terms of Reference and provides details of supporting evidence, policy, programs, and Victorian legislative developments.
- 1.3. The Victorian Government is committed to promoting *equal remuneration for work of equal value* and recognises this as a fundamental principle guiding work in Australian society. The principle of equal remuneration for work of equal value forms a central part of the Victorian Government's blueprint for a fair industrial relations system; the Victorian Workplace Rights Standard that guides Victorian Government policy.<sup>1</sup>
- 1.4. The Victorian Government has demonstrated its commitment to advancing pay equity through a range of innovative policy responses targeted at the industry and workplace level. This has included supporting and facilitating industry partnerships to undertake pay equity audits at the National Australia Bank and in the Victorian local government sector.
- 1.5. To reinforce the ongoing commitment to advancing pay equity, in 2007 the Victorian Government established a Working Families Council (WFC), the first of its kind in Australia, comprising employer, union, and industry representatives. The WFC terms of reference include advising on the further development of pay equity strategies and initiatives. The WFC's key task during 2008/ 09 is the establishment of an employer recognition program to recognise formally good employer practice in promoting pay equity and work and family balance.<sup>2</sup>

## **2. Adequacy of current data to reliably monitor employment changes that may impact on pay equity issues**

- 2.1. The Victorian Government believes that policy decisions aimed at promoting pay equity should be supported by sound evidence.
- 2.2. The Australian Bureau of Statistics (ABS) collects a range of labour market and industrial relations data, which provides useful information to identify policy needs and evaluate policy implementation. For details, see *Attachment 1*.
- 2.3. The ABS data is, however, limited in what it is able to tell us about organisational characteristics, workplace industrial relations/ human resources practices, and firm-level performance in relation to pay equity.

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<sup>1</sup> The Victorian Workplace Rights Standard can be accessed from:  
<http://www.business.vic.gov.au/busvicwr/assets/main/lib60082/vwra-standard.pdf>

<sup>2</sup> Details on the Working Families Council can be accessed from:  
[http://www.business.vic.gov.au/BUSVIC/STANDARD//PC\\_62611.html](http://www.business.vic.gov.au/BUSVIC/STANDARD//PC_62611.html)

- 2.4. The Victorian Government has recognised the need for additional workplace industrial relations data and conducted comprehensive surveys of workplace industrial relations and human resource management practices in 2002, 2006 and 2008. The Victorian Workplace Industrial Relations Survey (VWIRS) data provides valuable information to track employment and workplace changes over time and how these might influence pay equity issues.
- 2.5. The key findings related to women in the workplace from the VWIRS conducted in June 2008 and the ABS employee earnings and hours data (May 2006) were as follows:
- Employees in workplaces with a high proportion of female workers were more likely to work fewer hours than employees in workplaces with a majority of male employees.
  - Female workers were more likely to be part-time or casual. For example, while casual employees comprised 25.2 per cent of all employees in the workplace, female employees accounted for almost 60 per cent of casual employees.
  - Workers in predominantly female workplaces were more likely to be award dependent or covered by individual agreements. In contrast, workers in predominantly male workplaces were more likely to receive over-award payments or be covered by collective agreements.
  - The method of setting pay is an important determinant of men's and women's wage rates. Registered collective agreements in Victoria delivered the highest rates of pay for men. The highest rates of pay for Victorian women were under common law contracts, followed by registered collective agreements.
  - Women on Australian Workplace Agreements were faring poorly in terms of wages and working hours, with the aggregate effect of their hourly earnings being ten per cent less than their counterparts on collective agreements.
  - The gender pay gap is greatly exacerbated when overtime earnings are accounted for. The widest gap in overtime earnings was found for tradespersons and related workers.
- For further details of relevant ABS data see *Attachment 1*, and for VWIRS 2008 data, see *Attachment 2*.
- 2.6. Comprehensive data sets are necessary to track performance over time and the Victorian Government supports the continued collection of data on employees, earnings and hours (EEH), currently conducted every two years by the ABS.
- 2.7. In order to enable the collection of national workplace and employee level data, to monitor comprehensively employment changes influencing pay equity, the Victorian Government recommends that the Commonwealth Government consider conducting an Australian Workplace Industrial Relations Survey (AWIRS).

### **3. The need for education and information among employers, employees, and trade unions in relation to pay equity issues**

- 3.1. In 2004, the Victorian Government undertook an Inquiry into Gender Pay Equity in Victoria in order to determine the status of pay equity and to identify action, which might be taken. That Inquiry recognised a need for education and information among employers, employees, and trade unions in relation to pay equity issues and made a number of recommendations. For a summary of that Inquiry, see *Attachment 3*.<sup>3</sup>
- 3.2. Subsequent research undertaken by the Victorian Government demonstrated a continuing need for education and training related to pay equity. Research findings indicated that employers, employees and their representatives were unclear about what constituted pay equity and were thus unclear about what could be done to ameliorate pay inequity. For a summary of research findings see *Attachment 4*.
- 3.3. The Victorian Government believes that effective education, information and training campaigns will be an important component of any Commonwealth Government activity to address gender pay inequity.
- 3.4. However, increasing awareness of pay equity does not always need to be undertaken through a formal information campaign. Workforce Victoria (WV) has demonstrated that working in partnership with employers, employees and their representatives to conduct a payroll audit provides a successful means to educate and inform industry, employers, and employees. The landmark pay equity audit conducted jointly by the National Australia Bank (NAB) and the Finance Sector Union (FSU) is highlighted as a model for conducting an audit.<sup>4</sup> For a summary of the NAB/ FSU case study, see *Attachment 5*.

### **4. Current structural arrangements in the negotiation of wages that may impact disproportionately on women**

- 4.1. The Victorian Government is committed to 'continuing action to close the continuing earnings gap between men and women.'<sup>5</sup> Victoria is unique among the Australian states in having referred most of its industrial relations powers to the Commonwealth. Victoria's capacity to impact on structural arrangements is limited given that workplace relations in the state are largely regulated by the Federal *Workplace Relations Act 1996* (the WR Act).

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<sup>3</sup> The final report of the Victorian Pay Equity Inquiry can be accessed from:  
[http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/85\\_pay-equity-final-4-3-2005.pdf](http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/85_pay-equity-final-4-3-2005.pdf)  
URCOT's research report can be accessed from:

[http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/04\\_payequityurcot.pdf](http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/04_payequityurcot.pdf).

<sup>4</sup> National Australia Bank and the Finance Sector Union highlight their groundbreaking pay equity audit – International Women's Day 2007:  
<http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/WVWVWV-gender-pay-equity-update.pdf>

<sup>5</sup> 'Labor: Listens then Acts: Labor's Plan for Building a Stronger and Fairer Community in Victoria', Chapter 10, Fairness and Safety at Work, 2002 Platform of the Australian Labor Party. Available from: <http://www.vic.alp.org.au/policy/platform.html>



- 4.2. The research undertaken for the Victorian Pay Equity Inquiry established that there is a pay gap. The Inquiry outlined at least part of the cause, and considered possible interventions, including the need for regulatory measures to improve pay equity. This is dealt with in more detail in *Attachment 3*.
- 4.3. Drawing on experience in a range of pay equity regulatory regimes in place internationally, the Inquiry identified how such regulatory regimes can be distinguished:
- Whether they are located through industrial/employment based tribunals or human rights type frameworks;
  - Whether they are complainant-based or proactive in nature, and if the latter, whether they are voluntary or mandatory;
  - Whether the remedies are limited to an individual, or group of individual complainants, a single workplace or employer, or industry and occupation;
  - Whether the remedies are capable of providing retrospective relief;
  - Their capacity to examine disparate areas of work; and
  - Their capacity to examine market rates of pay.
- 4.4. Recent research has examined the influence of wage structure and wage setting on earnings differences. Generally, the research indicates that pay compression favours women. Greater income dispersion may also mean that improvements in the gender pay equity ratio may arise because of a relative fall in men's earnings. That is, the narrowing of the gap may be caused by a reduction in earnings for men and not an increase in women's earnings, which does not represent a positive outcome for men or women.<sup>6</sup>
- 4.5. In its submissions to the Australian Fair Pay Commission (2006, 2007, and 2008), the Victorian Government established that, amongst other things, those workers in low union density, smaller workplaces, and in particular industries such as hospitality, are more likely to have their pay determined by employer discretion. Women work predominantly in such workplaces. The former Federal Government's *WorkChoices* legislation, which tended to favour individualised arrangements over collective ones, exacerbated the unacceptably wide gap in men and women's pay, and did little or nothing to ameliorate the state of pay *inequity*.<sup>7</sup>

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<sup>6</sup> Whitehouse, G. (2001) 'Recent Trends in Pay Equity: Beyond the Aggregate Statistics', *Journal of Industrial Relations*, Vol. 43(1), pp.66-78. The research underpinning the Victorian Pay Equity Inquiry, *Pay Equity: How to Address the Gender Pay Gap – A Research Report by URCOT for Industrial Relations Victoria* (February 2005), can be accessed from:  
[http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/04\\_payequityurcot.pdf](http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/04_payequityurcot.pdf)

<sup>7</sup> The Victorian Government's submissions to the AFPC can be accessed from:  
28 July 2006: <http://www.fairpay.gov.au/NR/rdonlyres/752A5962-1F35-47DB-9A06-361E2709382C/0/VICandNTGovernmentSubmission.pdf>. See page 51.  
30 March 2007: [http://www.fairpay.gov.au/NR/rdonlyres/B411A0EC-FD47-451A-9699-08372AB4362B/0/Joint\\_Labor\\_Govt\\_Submission\\_2007.pdf](http://www.fairpay.gov.au/NR/rdonlyres/B411A0EC-FD47-451A-9699-08372AB4362B/0/Joint_Labor_Govt_Submission_2007.pdf). See page 105.  
14 March 2008: [http://www.fairpay.gov.au/NR/rdonlyres/43623032-49AE-4C52-8845-AEA70FAFADC8/0/Victorian\\_Government\\_submission\\_2008.pdf](http://www.fairpay.gov.au/NR/rdonlyres/43623032-49AE-4C52-8845-AEA70FAFADC8/0/Victorian_Government_submission_2008.pdf). See page 55.

## **5. The adequacy of recent and current equal remuneration provisions in state and federal workplace relations legislation**

- 5.1. The Victorian Government supports a unitary industrial relations system provided that it is fair. In 2005, the Government adopted the Workplace Rights Standard. The Standard consists of seven principles, which the Victorian Government believes should underpin a fair industrial relations system. The principles are:
1. Comprehensive Safety Net of Wages and Conditions.
  2. The Australian Industrial Relations Commission (AIRC) as Independent Umpire.
  3. Collective Bargaining and Industrial Action.
  4. Freedom of Association.
  5. Unfair Dismissal.
  6. Equal Pay for Work of Equal Value.
  7. Protection of Work and Family.
- 5.2. Principle 6 – Equal Pay for Work of Equal Value, states that: *There should be continued protection of the principle of equal remuneration for work of equal value, enforced by the AIRC as an independent umpire.*
- 5.3. To assist with its deliberations, the Victorian Pay Equity Inquiry initiated research into pay equity in Victoria, including national and international comparisons, and some comment on the implications of different legal initiatives.
- 5.4. In 2005, this Inquiry concluded that in advancing a more effective legislative model for equal remuneration, the 'Queensland model' could be the starting point. This model comprises legislative provisions, which provide that the equal remuneration principle applies when the Australian Industrial Relations Commission (AIRC) makes, amends or reviews awards, certifies agreements, makes orders, arbitrates industrial disputes about equal remuneration, and values or assesses the work of employees in feminised industries, occupations, or callings. The equal remuneration principle utilises undervaluation rather than discrimination to identify areas worthy of investigation.
- 5.5. This legislative model identified by the Inquiry is reflected and is consistent with Principle 6 of the *Victorian Workplace Rights Standard*, which states that there should be continued protection of the principle of equal remuneration for work of equal value, enforced by the AIRC as an independent umpire.
- 5.6. The Victorian Inquiry concluded that an *industrial* regulatory framework is a necessary component if pay equity is to be addressed. An appropriate mechanism would be one where an opportunity to raise the issue exists, have it properly investigated and a determination must be available, regardless of workplace arrangements.
- 5.7. In addition, the Victorian Government's three submissions to the Australian Fair Pay Commission (AFPC)<sup>8</sup> have consistently expressed the need to address pay equity in its

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<sup>8</sup> The Victorian Government's submissions to the AFPC can be accessed from:

wage determinations. The Victorian Government notes that the AFPC's decision of 8 July 2008, states that further research into gender pay differentials is warranted. This research will focus on gender pay differentials among people in low-paid employment and will seek to determine trends in gender pay differentials over time and variations in gender pay differentials across industries and occupations.

## **6. 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**

- 6.1. The Victorian Government believes that an effective balance between work and family creates a productive workplace and a rewarding family life. To achieve this, there is a need to respond to the changing labour force composition, increase workplace flexibility, and retain a skilled workforce.
- 6.2. While it is arguable that at various times in their working lives women may choose to engage in casual and/ or part-time employment in order to accommodate their family responsibilities, it is equally the case that factors such as the availability and affordability of childcare and inflexible working arrangements associated with ongoing full-time jobs limit the options available to working mothers.
- 6.3. Historically differences in education and workforce experience have also been a contributing factor to the gender pay gap. However as women have increased their participation in both education and the labour market, these factors have become less significant. Access, however, by part-time employees to on the job training and promotional opportunities remains limited and continues to be an important cause of pay inequity.
- 6.4. The Victorian Government has recognised this need and has developed a range of evidence-based policy initiatives on flexible working arrangements, including quality part-time work, and promoting women's workforce participation and engagement generally, including:
  - *The Quality Part-time Work Project*: This included the development and promotion of industry agreed guidelines setting out what made for a quality part-time job in retail, hospitality, local government, nursing, and law.
  - *ways2work*: An on-line toolkit to assist parents and carers who enter and re-enter the paid workforce and the employers who would employ them. In the 2007-08 budget the Victorian Government allocated \$1.2 million over four years to develop, promote, and build upon the *ways2work* on-line toolkit.
  - *Women's Financial Literacy*: Financial security is a significant issue facing Victorian women of all ages. In the 2007-08 budget the Victorian Government

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28 July 2006: <http://www.fairpay.gov.au/NR/rdonlyres/752A5962-1F35-47DB-9A06-361E2709382C/0/VICandNTGovernmentSubmission.pdf>

30 March 2007: [http://www.fairpay.gov.au/NR/rdonlyres/B411A0EC-FD47-451A-9699-08372AB4362B/0/Joint\\_Labor\\_Govt\\_Submission\\_2007.pdf](http://www.fairpay.gov.au/NR/rdonlyres/B411A0EC-FD47-451A-9699-08372AB4362B/0/Joint_Labor_Govt_Submission_2007.pdf)

14 March 2008: [http://www.fairpay.gov.au/NR/rdonlyres/43623032-49AE-4C52-8845-AEA70FAFADC8/0/Victorian\\_Government\\_submission\\_2008.pdf](http://www.fairpay.gov.au/NR/rdonlyres/43623032-49AE-4C52-8845-AEA70FAFADC8/0/Victorian_Government_submission_2008.pdf)

allocated \$1 million over four years towards providing practical information that encourages and assists women to think and plan for their financial future.

- *Returning to Earning*: An initiative, which is supporting parents returning to the workforce. Recognising that parents who have been out of the workforce for some time may need to upgrade their skills to return to work, *Returning to Earning* grants help meet the costs associated with retraining such as, books and materials, course fees, transport and childcare.
- *Workforce Participation Partnerships*: As at 31 August 2008, over 1,400 women have achieved an employment outcome through Workforce Participation Partnerships. Examples of projects targeted to women include:
  - *Women 4 Work*: This assisted women exiting prison or from Community Correctional Services to gain employment through individualised pre-employment support, training, and placement support.
  - *Construction Trades Apprenticeship Program for Women*: This created employment and apprenticeships for women within the construction industry in trades such as electrical, carpentry and plastering.

6.5. For further details of these Victorian Government initiatives see *Attachment 6*.

## **7. The need for further legislative reform to address pay equity in Australia**

- 7.1. The Victorian Government recognises that in the regulatory arena both industrial and human rights based mechanisms have been available for some time to address issues of discrimination in the workplace.
- 7.2. The Victorian Pay Equity Inquiry noted the limitations on advancing pay equity through individual complaint based mechanisms. Consistent with the direction envisaged in the Attorney-General's Justice Statement, the Inquiry Working Party supported the development of broader measures, such as representative complaints, non-complaint based investigations and other proactive measures being available under the *Equal Opportunity Act 1995 (Vic)* (EO Act) to address pay equity issues.
- 7.3. Consequently, the Victorian Government has undertaken a review of the EO Act. The Options Paper<sup>9</sup> to this review sets out five key issues for reform, including ways to restructure the framework of the EO Act so that it can better address systemic discrimination. Pay inequity is one example of such discrimination where there is a need to remove barriers and to achieve equality of opportunity. The *Equal Opportunity Review Final Report: an Equality Act for a Fairer Victoria* was released on Thursday 31 July 2008.<sup>10</sup>

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<sup>9</sup> The Equal Opportunity Review Options Paper can be accessed from:  
<http://www.justice.vic.gov.au/wps/wcm/connect/DOJ+Internet/resources/file/ebf7e804a231637/EqualOpportunityReviewOptionsPaper.pdf>

<sup>10</sup> *Equal Opportunity Review Final Report: An Equality Act for a Fairer Victoria* can be accessed from:  
<http://www.justice.vic.gov.au/wps/wcm/connect/DOJ+Internet/resources/file/eb411f4bb3b1944/Final%20Version%20-%20Final%20Report.pdf>

- 7.4. The Victorian Government is now considering whether the Victorian Human Rights and Equal Opportunity Commission (Commission) should be given powers to launch its own investigations, enter into enforceable undertakings and issue compliance notices, rather than relying on individuals to pursue a complaint.
- 7.5. The Victorian Government will also consider the potential for transforming the Commission from a complaints-handling body to one that acts on systemic discrimination and facilitates resolution and compliance which, in turn, will require expanded research and education functions.
- 7.6. For further details of the Victorian Government initiatives regarding Equal Opportunity legislation see *Attachment 7*.

## **8. Conclusion**

- 8.1. The Victorian Government is committed to promoting *equal remuneration for work of equal value* and recognises this as a fundamental principle guiding work in Australian society. The Victorian Government has demonstrated its commitment to advancing pay equity strategies at industry and workplace levels, and looks forward to the outcomes of the Commonwealth Government's important and timely Inquiry.

## Attachment 1: Australian Bureau of Statistics data on pay equity

### 1. Introduction

The Australian Bureau of Statistics (ABS) *Employee Earnings and Hours* data from May 2006 was published on 28 February 2007.<sup>11</sup> This publication contains estimates obtained from a sample survey of employers conducted in respect of May 2006. The survey is designed to provide statistics on the composition and distribution of employee earnings and hours paid for and how their pay is set.

#### 1.1 Employee earnings and hours – The gender pay gap and method of setting pay

Registered collective agreements provided the highest level of average weekly earnings for men in Victoria at \$1034.30. This can be contrasted with unregistered collective and registered individual agreements (AWAs), which delivered lower average weekly earnings for men at \$779.80 and \$867.40 respectively. Awards provided the lowest average weekly earnings for men at \$532.80 (Table 1).

**Table 1 Methods of setting pay, and Average Weekly Total Cash – Non-managerial adult employees – Victoria – May 2006**

Method of setting pay	Average Weekly Total Cash Earnings			Average Weekly Hours Paid For			Average Hourly Cash Earnings		
	Male	Female	All	Male	Female	All	Male	Female	All
Award only	532.8	416.4	468.1	29.6	23.3	26.1	18.0	17.9	17.9
Registered collective agreements	1034.3	681.4	835.6	36.2	27.0	31.0	28.6	25.2	26.9
Unregistered collective agreements	779.8	559.9	661.5	36.2	28.3	32.0	21.5	19.8	20.7
Registered individual agreements	867.4	643.7	745.5	35.1	28.2	31.3	24.7	22.8	23.8
Unregistered individual arrangements	978.8	703.8	856.4	37.3	31.0	34.5	26.2	22.7	24.8
All methods of setting pay	923.0	635.7	773.3	35.6	27.6	31.4	25.9	23.0	24.6

Unregistered individual agreements and registered collective agreements provided the highest level of average weekly earnings for women in Victoria at \$703.80 and \$681.40 respectively. This can be contrasted with unregistered collective and registered individual agreements (AWAs), which delivered lower average weekly earnings for women at \$559.90 and \$643.70 respectively. Awards provided the lowest average weekly earnings for women at \$416.40.

The gender pay gap was narrower under awards, at 78.2 per cent, than under other pay setting methods. The gender pay gap was widest under registered and unregistered collective agreements at 65.9 per cent and 71.8 per cent respectively. Under registered and unregistered

<sup>11</sup> ABS Catalogue No. 6306.0 - *Employee Earnings and Hours*, Australia, May 2006. Available from: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6306.0/>

individual agreements, the pay gap was 74.2 per cent and 71.7 per cent respectively. The gender pay ratio in Victoria across all pay setting methods was 68.9 per cent (Table 2).

**Table 2 Average Weekly Earnings – female and male earnings – Australia – By Method of Setting Pay, May 2006**

Method of setting pay	Average Weekly Total Cash Earnings		
	Male	Female	Pay gap
Award only	532.8	416.4	78.2%
Registered collective agreements	1034.3	681.4	65.9%
Unregistered collective agreements	779.8	559.9	71.8%
Registered individual agreements	867.4	643.7	74.2%
Unregistered individual arrangements	978.8	703.8	71.9%
All methods of setting pay	923	635.7	68.9%

According to Peetz (2006),<sup>12</sup> and his analysis of this ABS data, Victorian women on AWAs earned six per cent less per week than women on registered collective agreements, while working four per cent more hours. Therefore, their hourly earnings were ten per cent less than the hourly earnings of their counterparts on collective agreements.

## 1.2 Gender pay gap by industry and occupation

The gender pay gap in Australia widened across all industries by 2.1 per cent between May 2004 and May 2006, from 87.1 per cent to 85 per cent based on ordinary time average weekly earnings. If overtime is accounted for, the gender pay ratio across all industries in Australia widened by 1.9 per cent between May 2004 and May 2006, from 82 per cent to 80.1 per cent (Table 3).

**Table 3 Gender pay gap (Australia) – Ordinary, overtime and total average wage – May 2004 and May 2006**

Industry	Female to male earnings as percentage 2004			Female to male earnings as percentage 2006			Increase/decrease pay gap 2004-2006
	Ordinary time	Overtime	Pay gap	Ordinary time	Overtime	Pay gap	
Mining	77.4	29.8	<b>73.0</b>	74.8	19.1	<b>72.2</b>	+0.8
Manufacturing	85.3	33.6	<b>79.3</b>	90.2	32.0	<b>84.0</b>	-4.7
Electricity, gas and water supply	84.0	24.4	<b>79.3</b>	77.3	5.9	<b>69.4</b>	+9.9
Construction	82.2	14.2	<b>74.4</b>	81.5	36.2	<b>75.7</b>	-1.3
Wholesale trade	90.6	34.3	<b>87.5</b>	85.9	33.3	<b>82.6</b>	+4.9

<sup>12</sup> Industrial Relations Victoria (2007) *Assessing the Impact of WorkChoices – One Year On*. Report prepared by David Peetz, Professor of Industrial Relations at Griffith University, in conjunction with Industrial Relations Victoria in the Department of Innovation, Industry and Regional Development (March 2007). Accessed from:  
<http://www.business.vic.gov.au/busvicwr/assets/main/lib60104/4827wcanniversaryreportweb.pdf>

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Industry	Female to male earnings as percentage 2004			Female to male earnings as percentage 2006			Increase/decrease pay gap 2004-2006
	Ordinary time	Overtime	Pay gap	Ordinary time	Overtime	Pay gap	
Retail trade	92.1	23.5	<b>88.6</b>	87.6	34.2	<b>85.3</b>	+3.3
Accommodation, cafes and restaurants	96.6	83.0	<b>96.2</b>	99.7	123.4	<b>100.2</b>	-4.0
Transport and storage	88.8	35.0	<b>83.0</b>	84.2	29.8	<b>76.2</b>	+6.8
Communication services	87.1	36.0	<b>85.3</b>	92.0	24.8	<b>89.0</b>	-3.7
Finance and insurance	75.8	47.4	<b>75.4</b>	76.0	139.4	<b>76.5</b>	-1.1
Property and business services	87.5	16.5	<b>83.9</b>	80.1	24.6	<b>77.8</b>	+6.1
Education	104.8	50.0	<b>104.4</b>	96.6	20.8	<b>96.4</b>	+8.0
Health and community services	85.8	50.4	<b>84.4</b>	78.3	73.8	<b>78.2</b>	+6.2
Cultural and recreation services	90.8	71.1	<b>90.3</b>	84.5	43.6	<b>83.6</b>	+6.7
Personal and other services	91.9	28.2	<b>88.3</b>	95.1	34.7	<b>91.1</b>	-2.8
All industries	87.1	21.8	<b>82.0</b>	85.0	23.0	<b>80.1</b>	+1.9

The gender pay gap improved in some industries across Australia between May 2004 and May 2006, notably in:

- manufacturing (from 79.3 per cent to 84 per cent);
- construction from 74.4 per cent to 75.7 per cent;
- accommodation, cafes and restaurants from 96.2 per cent to 100.2 per cent;
- communication services from 85.3 per cent to 89 per cent;
- finance and insurance from 75.4 per cent to 76.5 per cent; and
- personal and other services from 88.3 per cent to 91.1 per cent.

In some industries across Australia, there has been a significant widening in the gender pay gap. The gender pay gap increased between May 2004 and May 2006 in:

- electricity, gas and water supply from 79.3 per cent to 69.4 per cent,
- wholesale trade from 87.5 per cent to 82.6 per cent;
- retail trade from 88.6 per cent to 85.3 per cent;
- transport and storage from 83 per cent to 76.2 per cent;
- property and business services from 83.9 per cent to 77.8 per cent;
- education from 104.4 per cent to 96.4 per cent;
- health and community services from 84.4 per cent to 78.2 per cent, and
- cultural and recreational services 90.3 per cent to 83.6 per cent.

In the case of the education sector, the gender pay ratio in May 2004 was sitting at 104.4 per cent (i.e. women in the industry were overall earning more than men), but by May 2006, the gender pay ratio had worsened to 96.4 per cent. Do we have an explanation for this?

The gender pay ratio (female earnings as a percentage of male earnings) across all occupational categories was 84.8 per cent based on ordinary time earnings, and 80.1 per cent based on total earnings including overtime. Tradespersons and related workers, and associate professionals (such as scientific and technical officers, shop managers, enrolled nurses, office manager, library technicians, stock brokers, and police officers) exhibit the widest gender pay gap at 70.5 per cent and 70.9 per cent (based on total earnings) respectively (Table 4).



**Table 4 Gender pay gap by occupation (Private Sector, Average Weekly Cash Earnings and Hours Paid For, Full-time non-managerial adult employees) – May 2006**

Occupational category	Gender pay gap ordinary time (%)	Gender pay gap overtime (%)	Gender pay gap total earnings (%)
Managers and administrators	86.2	38.3	85.8
Professionals	85.0	50.0	84.7
Associate professionals	71.6	43.9	70.9
Tradespersons and related workers	75.8	30.4	70.5
Advanced clerical and service workers	81.1	63.4	80.8
Intermediate clerical, sales and service workers	86.1	52.2	85.1
Intermediate production and transport workers	78.2	44.1	73.1
Elementary clerical, sales and service workers	88.7	61.4	87.3
Labourers and related workers	84.4	67.1	82.2
All occupations	84.8	23.0	80.1

The narrowest gender pay gap is found in elementary clerical, sales, and service workers; and managers and administrators at 87.3 per cent and 85.8 per cent respectively (based on total earnings).

The gender pay gap is exacerbated when overtime earnings are compared. The most significant gap is found for tradespersons and related workers, where women are only earning 30.1 per cent of male overtime earnings. The lowest gender pay gap is found for labourers and related workers, where women earn 67.1 per cent of male overtime earnings.

### 1.3 Conclusion

Overall, the analysis of the current ABS data on employee earnings and hours demonstrates the importance of the method of setting pay and the effect on the gender pay gap. As illustrated in the research that supported the Victorian Pay Equity Inquiry, one of the benefits of the Award system, was that while it did not necessarily deliver the highest wage outcomes, it has consistently delivered equitable wage outcomes. In contrast, AWAs and common law contracts appear to both diminish female wage outcomes and contribute to a widening of the gender pay gap. This may be due to the combined effect of lower hourly earnings with unpaid working time.

The nature of the gender pay gap is also shaped by the industry women work in and the occupations they occupy. There is still a high degree of gender segregation in the Australian and Victorian workforce. For example, a woman in the construction industry earns merely 14.2 per cent of male overtime earnings, a product of both industry and occupation. The gender pay gap is around 80-85 per cent even within industries and occupations that are traditionally considered feminised. Notably, in the highly feminised education industry, there appears to be a retrograde worsening of the gender pay gap (from 104.4 per cent in 2004 to 96.4 per cent in 2006). The cause(s) of this are not immediately apparent.

The gender pay gap in Australia widened across all industries by 2.1 per cent between May 2004 and May 2006 from 87.1 per cent to 85 per cent based on ordinary time average weekly earnings. If overtime is accounted for, the gender pay ratio across all industries in Australia

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widened by 1.9 per cent between May 2004 and May 2006 from 82 per cent to 80.1 per cent (Table 3).

## Attachment 2: Victorian Workplace Industrial Relations Survey 2008

### 2. Introduction

The Victorian Workplace Industrial Relations Survey 2008 (VWIRS 2008) consisted of a 20-minute telephone survey with managers in Victorian workplaces. The sample was stratified by workplace size from small (5 to 19 employees), medium (20 to 99 employees) and large (100 plus employees) and by industry. Workplaces excluded from the survey were in agriculture, forestry, and fishing industry and those in public administration. The survey was drawn from Dunn and Bradstreet business listings and weighted using the ABS business register counts. The purpose of the survey was to collect data on a range of relevant policy issues including:

- the workforce and workplace profile;
- methods of setting pay and conditions in the workplace;
- wages and entitlements of the workforce;
- information on union membership and industrial relations within the workplace;
- workforce additions and reductions;
- profits, labour costs and productivity;
- policies in place; and
- attitudes held by managers.

#### 2.1 Occupation

The main occupational groups in 2008 (or occupations with the largest number of workers at the workplace) were relatively diverse across all workplaces with a relatively even proportion of professionals, technicians and trades workers, clerical and administration workers, labourers and sales workers (see Table 5).

However, the main female occupational groups (or group with the largest number of female workers) were clerical and administration workers, professionals, community and personal service, and sales workers with 78 per cent of workplaces indicating that these were the main female occupational groups. Conversely, technicians and trades, machinery operators and drivers, and labourers as the main female occupational groups were in only 12 per cent of workplaces.

**Table 5 Main occupation group and main female occupational group in the workplace (percentage)**

Occupation	Main female occupation	Main occupation
Managers	3	2
Professionals	8	16
Technicians and Trades workers	4	22
Community and Personal service workers	9	8
Clerical and Admin workers	54	14
Sales workers	15	18

Occupation	Main female occupation	Main occupation
Machinery Operators and Drivers	1	9
Labourers	7	11

## 2.2 Industry

The proportion of female employees in the workplace varied according to the industry in which the workplace operated. Almost 60 per cent of workplaces where less than 20 per cent of employees were female operated in the traditional masculine industries of manufacturing, construction and transport and storage. In contrast, 58 per cent of workplaces where more than 75 per cent of employees were female were in the retail, health, education or recreation and personal services industries (Table 6).

**Table 6 Industry by proportion of female employees (column percentage)**

Industry	None	Less than 20 per cent female	20 to 50 per cent female	50 to 75 per cent female	75 per cent or more female	All workplaces
Mining and utilities	1	1	1	0	0	1
Manufacturing	17	23	15	8	1	13
Construction	28	20	11	2	1	10
Transport and wholesale trade	11	14	20	4	3	12
Retail trade	14	23	21	14	20	20
Hospitality	0	1	5	22	14	9
Finance and insurance	28	16	21	29	22	22
Health and education	0	0	1	9	30	8
Recreation and personal services	0	2	4	11	8	6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

When the gender balance between individual industries is compared, only recreation, personal services, health, education, and hospitality have the majority of workplaces with more than 50 per cent female employees.

**Table 7 Industry by proportion of female employees (row percentage)**

Industry	None	Less than 20 per cent female	20 to 50 per cent female	50 to 75 per cent female	75 per cent or more female	All workplaces
Mining and utilities	8	27	53	10	3	100.0
Manufacturing	8	37	41	12	2	100.0
Construction	16	40	39	4	2	100.0
Transport and wholesale trade	5	23	61	6	5	100.0

Industry	None	Less than 20 per cent female	20 to 50 per cent female	50 to 75 per cent female	75 per cent or more female	All workplaces
Retail trade	4	24	40	13	19	100.0
Hospitality	0	2	19	48	30	100.0
Finance and insurance	7	15	35	25	18	100.0
Health and education	0	1	4	21	74	100.0
Recreation and personal services	0	7	28	37	28	100.0
<b>Total</b>	<b>8</b>	<b>27</b>	<b>53</b>	<b>10</b>	<b>3</b>	<b>100.0</b>

### 2.3 Employment composition

While the majority of workers at Victorian workplaces were full-time ongoing employees with leave entitlements, non-standard workers including casual, part-time, contractors and agency workers made up almost a quarter of the Victorian workforce. Women featured strongly in certain types of non-standard employment. For example, while casual employees comprised 25.2 per cent of all employees in the workplace, female employees accounted for almost 60 per cent of casual employees. As outlined in Table 8, women are employed disproportionately more on a casual or part-time basis compared with all Victorian employees.

**Table 8 Employment types by gender (percentage)**

Employment Type	Percent female	Percent of all employees
Casual employees	58.3	25.2
Part-time employees	76.3	17.5

### 2.4 Working hours

Victorian workers tended to work standard working hours.<sup>13</sup> However, working hours varied between workplaces as the proportion of female employees increased. Predominantly male workplaces (those where less than 20 per cent of employees are female) tended to have a larger proportion of workers working longer hours. For instance, 6 per cent of workplaces indicated that, on average, employees worked more than 50 hours per week. In contrast, workplaces where women comprised the majority of employees were more likely to have part-time working hours (fewer than 35 hours per week) for the main occupational group.

**Table 9 Average working hours of main occupational group by proportion of women in the workplace (percentage)**

Average working hours	None	Less than 20 per cent female	20 to 50 per cent female	50 to 75 per cent female	75 per cent or more female	All workplaces
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<sup>13</sup> 'Standard working hours' is defined as 36-40 hours per week.

Average working hours	None	Less than 20 per cent female	20 to 50 per cent female	50 to 75 per cent female	75 per cent or more female	All workplaces
35 or less hours	0	0	2	11	12	5
36 to 40 hours	53	56	71	68	71	66
41 to 49 hours	40	35	22	17	9	22
50 hours or more	7	9	5	4	8	6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<sup>14</sup> <b>100.0</b>

## 2.5 Pay setting and wages

The method of pay setting (by awards, collective agreements, or individual arrangements) varied between workplaces according to the proportion of female employees. For workplaces where more than 75 per cent of employees were female, 21 per cent had wages determined at just the award rate of pay. In contrast, only 10 per cent of all workplaces had wages determined at the award minimum (Table 10).

Workplaces with a high proportion of male workers were more likely to have a mix of pay-setting arrangements. Predominantly male workplaces comprised the highest proportion of workplaces that provided over-award payments and coverage by collective agreements. In contrast, workplaces with predominately male employees were also the least likely to be covered by individual agreements and awards. It should also be noted that in this analysis, predominantly female workplaces tended to be more reliant on award minimum standards than on collective agreements.

**Table 10 Method of pay setting by proportion of women in the workplace (percentage)**

Method of setting pay	None	Less than 20 per cent female	20 to 50 per cent female	50 to 75 per cent female	75 per cent or more female	All workplaces
Award only >60%	3	3	4	21	21	10
Over-award >60%	53	34	31	22	31	31
Collective agreement >60%	23	19	5	10	11	11
Individual >60%	16	31	51	39	28	38
No dominant system	6	12	9	8	9	9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table 11 Method of pay setting by proportion of women in the workplace (percentage)**

Method of setting pay	None	Less than 20 per cent female	20 to 50 per cent female	50 to 75 per cent female	75 per cent or more female	All workplaces
Award only >60%	9	42	21	15	14	100
Over-award >60%	17	52	22	3	5	100

<sup>14</sup> Totals may not sum to 100%, due to rounding.

<b>Method of setting pay</b>	<b>None</b>	<b>Less than 20 per cent female</b>	<b>20 to 50 per cent female</b>	<b>50 to 75 per cent female</b>	<b>75 per cent or more female</b>	<b>All workplaces</b>
Collective agreement >60%	11	46	26	8	10	100
Individual >60%	11	62	21	5	0	100
No dominant system	17	41	39	2	0	100
<b>Total</b>	<b>13</b>	<b>53</b>	<b>24</b>	<b>6</b>	<b>4</b>	<b>100</b>

The diversity in pay setting was reflected in the average wage paid to employees in those workplaces. Workplaces with a large proportion of male workers were more likely to pay higher wages than those workplaces with a large proportion of female employees. Furthermore, this divide tended to increase as the proportion of female workers increased.

For example, only a small proportion (10 per cent) of workplaces where less than 20 per cent of employees were female paid an average wage of under \$600 per week. In contrast, 14 per cent of workplaces with more than 75 per cent female employees paid an average wage of under \$600 per week.

At the higher end of the distribution, 51 per cent of workplaces with no female employees paid average wages greater than \$1000 per week, compared to 29 per cent of workplaces where more than 75 per cent of employees were female.

**Table 12 Average wage of lowest paid employees by proportion of women in the workplace (percentage)<sup>15</sup>**

<b>Average wage of lowest paid employee</b>	<b>None</b>	<b>Less than 20 per cent female</b>	<b>20 to 50 per cent female</b>	<b>50 to 75 per cent female</b>	<b>75 per cent or more female</b>	<b>All workplaces</b>
Under \$400	0	0	0	2	0	0
\$400 to 599	8	10	3	14	5	7
\$600 to 799	26	21	28	26	36	28
\$800 to 999	15	35	27	24	29	28
\$1000 or more	51	35	42	34	29	37
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table 13 Average wage of female earnings in the workplace (percentage)**

<b>Average wage of lowest paid employee</b>	<b>Less than 20 per cent female</b>	<b>20 to 50 per cent female</b>	<b>50 to 75 per cent female</b>	<b>75 per cent or more female</b>	<b>All workplaces</b>
Under \$400	3	2	2	1	2
\$400 to 599	7	6	14	5	8
\$600 to 799	38	32	29	37	33
\$800 to 999	28	26	21	33	27

<sup>15</sup> Wages are defined as average weekly gross wage that an adult full-time employee in the largest occupational group earned.

Average wage of lowest paid employee	Less than 20 per cent female	20 to 50 per cent female	50 to 75 per cent female	75 per cent or more female	All workplaces
\$1000 or more	24	34	35	24	30
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The divide between female and male workplaces is illustrated by a comparison of workplaces where fewer than 20 per cent of workers were female with those where more than 75 per cent of workers were female. In predominantly male workplaces, the average weekly wage was \$960 per week, with 66 per cent of employees earning over \$800 per week. In contrast, the average wage at workplaces where more than 75 per cent of employees were female was \$751 per week.

**Table 14 Average wage of female earnings in the workplace (percentage)**

Industry	Median wage \$	Median female wage \$	Pay gap %	Workplace reporting all wages (n)	Workplaces reporting female wages (n)
Mining and utilities	1250	1100	88.0	6	6
Manufacturing	800	798	99.8	89	82
Construction	1057	860	81.4	71	52
Transport and wholesale trade	870	780	89.7	83	74
Retail trade	760	760	100.0	135	127
Accommodation, cafes and restaurants	650	650	100.0	59	33
Finance, insurance and business services	950	865	91.1	153	138
Health and education	910	850	93.4	53	43
Recreation and personal services	800	800	100.0	38	34
<b>All workplaces</b>	<b>860</b>	<b>800</b>	<b>93.0</b>	<b>687</b>	<b>589</b>

The lower levels of pay for female workers are also evident when median female wages are compared with median total wages by industry. Overall, the level of female wages is 93 per cent of the total weekly wage paid to full time employees. The difference is much larger in industries where workplaces have a high proportion of male employees. In industries with a high proportion of female workers, there is little or no difference. This is most likely because the main female occupational group is the same as the main occupational group in the workplace. This analysis does also demonstrate that industries with a high proportion of female dominated workplaces are more likely to be lower paid.

**Table 15 Average wage of female earnings in the workplace (percentage)**

Occupation	Median \$	Percentage distribution				
		<600 %	600<800 %	800<1000 %	1000<1400 %	>1400 %
Managers	1317	17	13	5	20	44
Professionals	1100	0	9	25	52	15



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Occupation	Median \$	Percentage distribution				
		<600 %	600<800 %	800<1000 %	1000<1400 %	>1400 %
Technicians and trades workers	800	8	36	55	1	0
Community and personal service workers	667	16	63	13	7	1
Clerical and admin workers	808	6	38	33	18	5
Sales workers	730	22	33	33	5	7
Machinery operators and drivers	701	10	68	0	22	0
Labourers	660	32	54	11	3	0
<b>Total</b>	<b>800</b>	<b>10</b>	<b>37</b>	<b>29</b>	<b>17</b>	<b>7</b>

**Table 16 Average wage of all employees in the workplace (percentage)**

Occupation	Median \$	Percentage point difference				
		<600 %	600<800 %	800<1000 %	1000<1400 %	>1400 %
Managers	2000	0	5	17	10	69
Professionals	1245	2	4	22	42	29
Technicians and trades workers	900	3	23	41	27	6
Community and personal service workers	680	19	55	12	13	1
Clerical and admin workers	864	2	29	42	20	7
Sales workers	800	14	31	32	11	13
Machinery operators and drivers	820	12	36	20	25	7
Labourers	684	22	55	20	2	1
<b>Total</b>	<b>850</b>	<b>9</b>	<b>29</b>	<b>29</b>	<b>21</b>	<b>11</b>

**Table 17 Pay gap between female and average earnings in the workplace (percentage)**

Occupation	Pay gap median %	Percentage point difference				
		<600 %	600 < 800 %	800 < 1000 %	1000<1400 %	>1400 %
Managers	65.9	17	8	-12	10	-25
Professionals	88.4	-2	5	3	10	-14
Technicians and trades workers	88.9	5	13	14	-26	-6
Community and personal service workers	98.1	-3	8	1	-6	0
Clerical and admin workers	93.5	4	9	-9	-2	-2
Sales workers	91.3	8	2	1	-6	-6
Machinery operators and drivers	85.5	-2	32	-20	-3	-7
Labourers	96.5	10	-1	-9	1	-1
<b>Total</b>	<b>94.1</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>-4</b>	<b>-4</b>

Finally, the data outlined in Table 15, Table 16 and Table 17 demonstrates the lower level of pay for female occupations relative to total pay for those occupations at the workplace. Female workers in all occupational groups are less likely to be paid the average for that occupation in the workplace. For some occupations e.g. Community & Personal service workers there is near parity in wages, but for most, there is a significant difference. Furthermore, the distribution of occupations by wage rates shows that females in the same occupations are more likely to be at the lower end of pay scales than all employees.

## **Attachment 3: The Victorian Pay Equity Inquiry**

### **3. Introduction**

On 25 March 2004, the Minister for Industrial Relations, the Honourable Rob Hulls MP, announced the establishment of a Pay Equity Inquiry to identify the extent of the gender pay gap in Victoria, the factors contributing to the continuing pay differential between male and female earnings and further action that could be taken to progress pay equity in this state.<sup>16</sup>

In June 2004, a tripartite Working Party chaired by Commissioner Whelan of the Australian Industrial Relations Commission was established to oversee the Inquiry. Independent research was commissioned to inform the Working Party's deliberations on the issue of pay equity and to guide its recommendations to government, employers, and unions on advancing pay equity in Victoria into the future.

#### **3.1 Inquiry review and research**

As part of the Working Party's review process, a consortium of researchers from URCOT were engaged to research and analyse:

- the extent of the gender pay gap in Victoria and the factors contributing to this;
- the effectiveness of the current industrial and equal employment opportunity regulatory framework for addressing pay inequity in Victoria;
- the actions that have been taken nationally and internationally to address pay equity; and
- further actions and strategies that could be taken by government, business and unions in Victoria to address the gender pay gap in the future.

URCOT's research report was published in January 2005. Based on URCOT's findings and Working Party discussion, the Working Party's Report summarises the scope and impact of the gender pay gap in Victoria; what measures have worked in other States and overseas jurisdictions and which of these measures could be implemented in Victoria, given its unique regulatory framework for industrial relations and the operation of its equal opportunity legislation. It also made a series of recommendations to the Minister for Industrial Relations on practical measures that could be implemented by the government, employers, and unions to improve pay equity outcomes for women in Victoria.

#### **3.2 Summary of recommendations**

The Victorian Pay Equity Inquiry recommended that the Victorian Government develop an Action Plan for pay equity to ensure that the measures undertaken because of this Inquiry are carried forward, monitored, developed, and integrated with other Government initiatives that may affect pay equity. The pertinent recommendations organised under relevant headings are summarised below.

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<sup>16</sup> *Advancing Pay Equity - Their Future Depends on it*, the Report from the Victorian Government's inquiry into gender difference in wages can be accessed from:  
[http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/85\\_pay-equity-final-4-3-2005.pdf](http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/85_pay-equity-final-4-3-2005.pdf)

### **3.3 Education and promotion**

The government, employer organisations, and union's commitment to a gender pay equity education campaign, including symposia to discuss and debate both the theoretical and practical implications and strategies relating to gender pay equity. Employer associations and unions could also develop regular training on gender pay equity issues.

### **3.4 Understanding and addressing the undervaluation of 'feminised' work**

A series of case studies should be commissioned designed to identify the determinants of gender pay inequity in Victoria, especially the contributing factors to undervaluation. Additional data would also include coordination of a standardised system of data collection for the Victorian public sector so that a definitive analysis of gender pay equity can be undertaken.

### **3.5 Action to improve relative income**

The Victorian Government should address gender pay equity in submissions to minimum wage determinations, and award review processes.

Unions are encouraged to seek enterprise-wide pay outcomes based on the principle of pay equity. Employers and unions should adopt policies and processes to address gender pay inequities in enterprise bargaining. Work life balance strategies for men as well as women need to be encouraged rather than the encouragement of gender specific policies.

The Government, employer organisations, and unions should strengthen their efforts to address workplace factors such as harassment and bullying of women workers, isolation, and lack of support, which inhibit the retention of women in non-traditional employment.

### **3.6 Legislative action**

In advancing a more effective *industrial* legislative model for equal remuneration, the Queensland model should be the starting point. This model comprises legislative provisions, which provide that the equal remuneration principle applies when the Australian Industrial Relations Commission makes, amends or reviews awards, certifies agreements, makes orders, arbitrates industrial disputes about equal remuneration, and values or assesses the work of employees in feminised industries, occupations or callings. The principle utilises undervaluation rather than discrimination and identifies areas worthy of investigation in identifying potential undervaluation.

The issue of pay equity should also be raised by the Victorian Government for consideration at other relevant Ministerial forums such as the Commonwealth, States, Territories, and New Zealand Ministerial Conference on the Status of Women and the Workplace Relations Ministers' Council.

Consistent with the direction envisaged in the Attorney-General's Justice Statement there broader measures such as representative complaints, non-complaint based investigations and

other proactive measures should be made available under the *Equal Opportunity Act 1996 (Vic)* to address pay equity issues.<sup>17</sup>

### **3.7 Gender pay equity audits**

The Victorian Government should develop a model for gender pay audits in consultation with employers and unions. The audit should include the identification of earnings patterns and differences between men and women, an investigation of the causes of earnings differences and a commitment to remedy any identified gender pay inequities. In addition to promoting voluntary compliance, appropriate incentives should be considered for employers who can demonstrate that they have undertaken pay equity audits and have taken action to achieve pay equity at all levels of their organisation.

### **3.8 Infrastructure to implement the Action Plan for pay equity**

The Victorian Government should design, develop, coordinate, and evaluate gender pay audits; gather and coordinate Victorian statistics in relation to gender pay equity, design and coordinate an education campaign to increase awareness of gender pay equity in both the business and wider community, and conduct a definitive analysis of gender pay equity in Victoria.

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<sup>17</sup> This issue is captured by the current review of the Victorian EO Act – see *Attachment 7*.

## **Attachment 4: How pay equity is understood – Workforce Victoria research**

### **4. Introduction**

In early 2008, Workforce Victoria undertook qualitative research with employers and employees in the private and public sectors to obtain information to advise the Victorian Government's Working Families Council regarding messages, themes, and strategies to underpin a social marketing campaign to increase awareness of pay equity and work and family balance strategies.

#### **4.1 Summary of research outcomes related to pay equity**

The research indicated that employers, employees, and their representatives were unclear about what constituted pay equity and were therefore unclear about what could be done to ameliorate pay inequity. The findings indicated that:

- *pay equity* is a poorly understood term;
- employers believe that pay *inequity* is not a concern in their particular industry; and
- where men and women are undertaking *same or similar work*, and there is a pay gap, employers believe this should be rectified.

There was considerable uncertainty about the term pay equity from both private sector employees and employers. Pay equity was defined variously as a *financial term*, the *opportunity to get paid more* and [sometimes] *equal pay for equal work*. Rarely was it associated with gender pay inequity. Pay *equality* was considerably better understood and came closer to meaning equal pay for equal work, but again the connection with gender was not self-evident.

Those working in the public sector were considerably more familiar with the term pay equity, defining it as the comparative pay of people doing the same job and in particular the wages for men and women in equivalent jobs.

Most people were not surprised that there is an overall discrepancy between the ordinary earnings of men and women. Some were surprised that the gap was as 'small' as it is. Most accepted that there are systemic problems, often historically linked.

More challenging was the gap between perceptions of the overall statistics and employers/ managers' perception of their own practices. Employers/ managers were unable to understand that in-equity might exist in their own workplace. Most employers/ managers were also adamant that gender was not an issue in their workplace and that they paid people for the work they did. Accordingly, while all accept the principle of pay-equality, they by no means feel an impetus or incentive to examine the matter in their own organisation.

The two messages below received strong support from virtually all employers/managers and employees. This indicated that the principle of equal pay for equal work is strongly valued.

**Figure 1 Key messages on pay equity**

*Whilst there are many historical reasons for why pay in-equality continues to exist, there is no place in the Australian workforce for un-equal pay, for those doing the same work*

*Where pay in-equality (for the same work) is found to exist, it should be rectified immediately*

While employers/ managers also strongly supported the principle of pay equity, for those doing the same work, the notion of equal value work was harder for some of them to grasp, particularly as they did not consciously see they were discriminating on any grounds. Some also confused pay equity as a potential impediment to being able to reward high-performing staff.

In order for employers/ managers to understand better pay equity, it may be necessary to talk as much about what pay equity is not, as what it really represents. Mentioning statewide data is not enough to help employers/ managers recognise a problem in their own workplace.

Demonstrating inequity at an industry level had more meaning for employers/ managers. It brings it 'closer to home' and is more likely to encourage employers/ managers to examine their own practices.

## **Attachment 5: Partnership in pay equity – The National Australia Bank and the Finance Sector Union**

*In a context of tight labour markets, businesses positioning as employers of choice are showing renewed interest in pay equity. In business environments characterised by explicit policies to promote equitable outcomes for all employees, unions and managers are interested to understand why gender-based differences in accessing job roles and rewards persist. Pay equity provides a tool to understand better how informal practices; values and culture reinforce or undermine corporate values. High performance businesses are interested in what pay equity can tell them about the alignment between corporate strategy and values with business practice and outcomes.<sup>18</sup>*

### **5. Introduction**

In June 2006, the National Australia Bank (NAB) announced it would conduct a gender pay equity audit in conjunction with the Finance Sector Union (FSU). The aim of the audit was to identify any gender-based pay inequities within NAB and investigate possible causes or barriers to equal pay. The announcement generated interest from Workforce Victoria (WV) in the Victorian Government, which was keen to assist by offering research and administrative support in order to develop a case study for wider use. This formed part of the Victorian Government's commitment to pay equity and the recommendations of the Pay Equity Inquiry Report (2005).

*Traditionally these issues have been seen as combative. This was different. It is something all parties came together over.*

Before the enactment of *WorkChoices* in March 2006, the NAB and the FSU finalised a three-year enterprise agreement that contained a groundbreaking clause committing the parties to undertake a pay equity audit. This initiative was not a response to a specific pay claim or concern. Although both parties recognised that if inequities were identified, they would need to be addressed, the project was not initiated because this was an expected finding. Rather the clause was an expression of a shared interest and commitment by the parties to explore the pay profile of NAB employees to understand better whether the basis for deciding who is paid what is fair and equitable.

Undertaking a pay equity audit is not particularly unusual. NAB had already conducted internal analyses of aspects of the pay system. What was groundbreaking about this initiative was that the audit was approached as a joint exercise between NAB and the FSU and signalled a commitment to an open and transparent investigation of pay arrangements – a subject traditionally kept well guarded. This commitment extended to agreeing to share the outcomes of their experience with other businesses to support the growing interest in pay equity. This coincided with the Victorian Government's commitment to promote pay equity initiatives. Workforce Victoria (WV) recognised the value of documenting this practical case study and

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<sup>18</sup> The NAB/ FSU pay equity audit case study is available from:  
<http://www.business.vic.gov.au/busvicwr/assets/main/lib60013/nabfsupayequityauditcasestudy.pdf>



how an audit can be used as means to assess human resource management policy and practice – an audit can be a lens on the *high performance workplace*.

## 5.1 Putting pay equity into practice

National Australia Bank is a large financial services group providing a comprehensive range of financial products and services throughout Australia, New Zealand and parts of the United Kingdom and Asia. In 2000, it expanded into financial management services with the purchase of MLC. This became the bank's Wealth division. NAB is Australia's largest bank, employing around 23000 people in Australia. Of these around 3000 work in Wealth Management. These jobs are spread across 16 grades, 14 business units and numerous job roles.<sup>19</sup>

The employment and pay profile at NAB shares similar features to the rest of the finance and insurance sector profiled by Equal Opportunity for Women in the Workplace Agency (EOWA). Its report on the industry describes an industry sector with one of the largest pay gaps of any sector. On average women in finance and insurance earn just 63 per cent of male earnings and this gap is increasing at a faster pace than in other sectors.<sup>20</sup> At the same time, the industry boasts *some of the most sophisticated and well-resourced equal opportunity programs in the Australian private sector*<sup>21</sup>

The pay profile at NAB tells a similar story and is reflective of the employment distribution where women make up 60 per cent of the workforce and are heavily concentrated in the clerical grades, principally within the teller job role. At pre-management level, women outstrip men by more than 2:1 yet at management and senior management levels the pattern is reversed with men accounting for just over two-thirds of all management roles and nearly 4 out of 5 senior management jobs.

A poor industry record of accomplishment on pay equity was a concern to both NAB management and the union. When the FSU proposed a joint a pay equity audit, management was quick to agree. Both parties saw shared benefits in undertaking this project that stemmed from:

- Recognition that pay equity is a shared objective, not an 'us and them' issue. No-one would support unequal outcomes based on gender.
- A genuine concern to understand whether there are pay gaps and if so, why?
- A conviction that there is no reason to hide the facts. If there is a gap, it needs to be fixed.
- A good fit with business commitment to improve performance by drawing as broadly as possible on available talent.

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<sup>19</sup> The grading structure was being concurrently reviewed.

<sup>20</sup> This gap of 37% in earnings is based on full-time adult ordinary-time earnings using ABS figures for November 2004. EOWA cites earnings data from the Australian Bureau of Statistics, which indicates that in the finance and insurance sector, the gender pay gap in full-time adult ordinary-time earnings increased from 29.1% in 1994 to 36.8% in 2004, compared with a decrease for Australia as a whole from 18.2% to 15.2 over the same period.

<sup>21</sup> Equal Opportunity for Women in the Workplace Agency, *EOWA Industry Verticals: Finance and Insurance*, 2006, Commonwealth of Australia. Available from:  
[http://www.eowa.gov.au/Information\\_Centres/Resource\\_Centre/EOWA\\_Publications/Industry\\_Verticals/EOWA\\_Fin\\_Ins\\_IV\\_2006.pdf](http://www.eowa.gov.au/Information_Centres/Resource_Centre/EOWA_Publications/Industry_Verticals/EOWA_Fin_Ins_IV_2006.pdf)

- A chance to understand better the impact of overt policies and initiatives targeting cultural change already in place in the bank.

The FSU's role as the catalyst and advocate for pay equity was part of a long-term commitment to addressing the pattern of unequal earnings for women and men in their industry. The following is a summary of observations and lessons learned from the joint NAB/ FSU agreement to conduct an audit:

- The Enterprise Agreement provided a vehicle to commit formally to undertake and report on the pay equity audit.
- Clarity and transparency are principles that underpinned the decision to embark on a pay equity audit.
- Clear commitment and leadership by senior management was essential.
- Upfront agreement that the NAB and the FSU were equal partners to the audit was important.
- The parties shared a commitment to ensure equitable pay outcomes.
- Undertaking the audit as a joint exercise with the union reinforced employee engagement and a commitment to transparency.

## **5.2 The 'policy : practice' gap**

One of the most valuable outcomes of the pay equity audit is to understand better how closely the unstated values and practices align with corporate values and policy. A weak alignment between policy and practice is problematic for any business, and requires a rethink of the policy, the practice, or both. One of the most frequently cited barriers for women entering better paid, career oriented jobs across all industries is the structure of working hours. Nowhere is the tension between policy and practice more evident than around work/ life balance. This is seen when considering how many senior management roles are occupied by either men or women who have struck flexible arrangements that balance their work and non-work commitments. As long as taking advantage of progressive work/ life balance policies means forfeiting career aspirations and feeling that by doing so, the work of the team is effected, the policy practice gap in this area is likely to be wide.

## **5.3 The role of leadership**

The experience at NAB reinforces the need for strong leadership on equity issues. Reasons cited by employees to explain any pay gaps are similar to those reported by EOWA in its study across the finance and insurance sector. They included job design (especially related to quantum and spread of hours), recruitment and promotion criteria, processes for negotiating pay including start rates and pay increases and detrimental impact on work and career associated with accessing provisions to support work: life balance. What was interesting about the issues raised was that in most cases employees and managers did not view these as discriminating against women specifically. Where people had difficulty fitting their lives around the expectations of the job they were more likely to see this as a reflection of their own limitations rather than an issue they could actively address.

This finding highlights the limitations of approaches that rely on individual employees to take the lead on changing an entrenched workplace culture. While raising employee awareness

about policy and entitlements is important, it may be more effective to shift responsibility for raising and advancing equity issues from individual employees to integrate it into business practice. This means establishing the responsibility and capacity of managers to actively promote and manage equity rather than responding to employee requests on a case-by-case basis.

## **Attachment 6: Women's workforce engagement, participation, and flexible working arrangements**

### **6. Introduction**

The Victorian Government has developed a range research based material underpinning policy development on flexible working arrangements, including quality part time work, and promoting women's workforce participation and engagement generally.

#### **6.1 Quality Part-Time Work**

An effective solution to balancing work and family creates a productive workplace and a rewarding family life. Quality part-time work is about attracting and retaining skilled workers who also have family responsibilities. Putting quality part-time work firmly on the agenda is one step towards an effective solution.

In assisting to meet this challenge, Workforce Victoria undertook the Quality Part-Time Work Project in partnership with business and unions to:

- raise employee, business and community awareness;
- provide practical assistance and support to employees and employers;
- ensure that government policies and programs reflect and reinforce the pursuit of a better balance between work and family life.

The Quality Part-Time Work Project was conducted in four separate stages: Stage 1 included a comprehensive statistical overview of part-time work in Australia and Victoria. It was based largely on Australian Bureau of Statistics labour force survey data, which defines a part-time worker as an employed person who usually works less than 35 hours per week.

Stage 2 reviewed national and international literature on the growth of part-time work, the role of part-time work in facilitating work and family balance and approaches used by government, unions, and business to promote quality part-time jobs. While the literature varied on how the quality of jobs might be measured, the review identifies the following as objective indicators of the quality of part-time work:

- access at all occupational levels and for both men and women;
- the same protections as full-time work in respect to job protection, predictability of hours and protection against discrimination;
- pro-rata wages and access to benefits;
- equal access to training and promotion;
- possibility of moving either way between full-time and part-time work;
- inclusion in the workplace culture and work group;
- recognition that people have a life outside work; and
- level cultural change has been identified as important.

The Quality Part-Time Work Project involved extensive consultation with employer associations and unions in industries with high proportions of part-time workers. This consultation identified

organisations where quality part-time work had been successfully introduced. Stage 3 of the project provided practical examples that show how the issues identified in Stages 1 and 2 of the Project have been addressed at the workplace level.

The outcomes of the first three stages provided the necessary background to the fourth stage, which is the development of best practice guidelines for business in creating part-time employment to ensure that jobs are employment opportunities of quality. The *Quality Part-Time Work – Working Better for Everyone* project concluded with recommendations to improve the quality of part-time work available to workers with family responsibilities. The recommendations included action for business and unions, further action for government and further action for all parties in partnership.<sup>22</sup>

## 6.2 Development of ways2work

The Victorian Government has developed a new comprehensive on-line toolkit called *ways2work* for parents and carers wishing to join the paid workforce and for prospective employers wishing to use their much-needed skills.<sup>23</sup> *ways2work* provides practical return-to-work strategies. It also demonstrates the many skills that parents and carers have developed through their caring roles. This makes them highly sought after employees.

For many parents and carers, making the decision to return to paid work after a period caring for others can often seem overwhelming. *ways2work* provides hints and tips supported by practical advice and documents success stories to help boost confidence and self esteem. It includes information about childcare, legal rights, areas of skill shortage and the range of options available in occupations that parents might want to pursue.

Employers are given practical advice on how to negotiate and implement flexible, family friendly arrangements in their workplace, as well as practical resources such as sample clauses and templates to help them develop their own work family balance policies.

*ways2work* also details links to other helpful sites and innovative, co-operative work-family balance ideas that can benefit both employees and employers alike. These include the Victorian Government's Returning to Earning grants program, which provides practical support to help parents update their employability skills by funding job related training or course fees, as well as childcare during study.

*ways2work* will be built on over the next four years, with the next stage including development of soft copy information for parents and carers who are unable to access the internet, as well as translation of selected material into languages other than English.

## 6.3 Women's Financial Literacy Project

Financial security is a significant issue facing Victorian women of all ages. It can often be a challenge for women to establish and maintain financial security throughout their lives, particularly in retirement. Research has shown that:

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<sup>22</sup> The Victorian Government's *Quality Part Time Work Guidelines* can be accessed from:  
[http://www.business.vic.gov.au/BUSVIC/STANDARD//PC\\_60956.html](http://www.business.vic.gov.au/BUSVIC/STANDARD//PC_60956.html)

<sup>23</sup> *ways2work* can be accessed from:  
<http://ways2work.business.vic.gov.au/>

- the average retirement payouts for women (in 2004) was \$37,000 compared with \$110,000 for men - yet a woman's average life expectancy is 83 years, compared to 77 years for men;
- women are particularly vulnerable to 'transmitted debt', that is, taking on debt from a spouse or partner because they have guaranteed a loan or are encumbered in a partner's business dealings or company;
- 52 per cent of women say that dealing with money is stressful and overwhelming; and
- 42 per cent of women say that thinking too much about their long-term financial future makes them uncomfortable.

In the 2007-08 State Budget the Victorian Government allocated \$1 million over four years towards providing practical information that encourages and assists women to think and plan for their financial future.

This initiative will build on a successful pilot held between October 2005 and April 2006. More than 500 women aged 40 and over attended 20 workshops across the state called Women and Money – workshops for a financially fit future. It will utilise findings from the research undertaken by the WIRE Women's Information on the barriers experienced by women in achieving financial literacy in 2007.<sup>24</sup>

The initiative will also draw on the Commonwealth, States, Territories, and New Zealand Ministers' Conference on the Status of Women's (MINCO) discussion paper<sup>25</sup> *Effectively communicating superannuation and financial literacy messages to women during their different life-stages*.<sup>26</sup>

## 6.4 Workforce Participation

In March 2005, Victoria's Workforce Participation Taskforce was established to examine the impact of demographic change, population ageing and slowed population growth on Victoria's workforce more closely.

The Taskforce was chaired by the late Honourable John Button and included high-level representation from government, employers, unions and the community sector. The Taskforce commissioned two major reports:

- Workforce participation in Victoria - an overview of the size and composition of Victoria's current and projected labour market (Access Economics)<sup>27</sup>

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<sup>24</sup> The Women's Financial Literacy research report can be accessed from:

<http://www.wire.org.au/site/about/publications.php>

<sup>25</sup> *Effectively communicating superannuation and financial literacy messages to women during their different life-stages* is available from:

[http://www.women.vic.gov.au/Web12/rwpgslib.nsf/GraphicFiles/MINCO+discussion+paper/\\$file/MINCO+discussion+paper.pdf](http://www.women.vic.gov.au/Web12/rwpgslib.nsf/GraphicFiles/MINCO+discussion+paper/$file/MINCO+discussion+paper.pdf)

<sup>26</sup> The new [Women and Money Month workshops and seminars](#) are tailored to provide information for people in three life stages: from 20 to 35, 35 to 55 and over 55.

Additional Reading: [Show me the money \(PDF 1.7 mb\)](#)

<sup>27</sup> An overview of the size and composition of Victoria's current and projected labour market (developed by Access Economics) can be accessed from:

- Barriers to and options for increased workforce participation in Victoria - a literature review and study of contemporary practices to address barriers to and provide options for increased participation for specific groups including women, mature-aged and marginalised jobseekers (Allen Consulting Group).<sup>28</sup>

Combined with population growth and productivity growth, workforce participation drives the long-term economic sustainability of Victoria. Our ageing population will affect Victoria's workforce participation.

## 6.5 Wage opportunities for women

Research commissioned by the Victorian Government reviewed the available literature on older women's participation behaviour. This review indicated that the decision to participate in the paid labour market is significantly affected by available wage opportunities. The 'wage opportunity' is the difference between how much a woman could earn if she stayed in continuous paid employment as opposed to not remaining in continuous paid employment.<sup>29</sup>

Studies of the issue found that the responsiveness of participation behaviour of women in their forties to wage opportunities is high when compared to younger women, older women, and men. Higher net wages seem likely to attract women in their forties to the workforce. Conversely, changes in wage opportunities do not significantly affect the participation behaviour of women in their fifties and sixties: An increase in wages (or a decrease in tax rates) will not produce a significant change in participation or hours of work for women in their fifties and sixties.

## 6.6 Retirement Income

The Victorian Government's commissioned research – *Paving the Way* – also surveyed the literature on the connections between older women's participation in the paid workforce and their access to a 'decent' retirement income. Key studies in this area have identified a positive but limited role for lifting the level of retirement savings by increasing participation rates of older women. This is largely because the greatest benefits from savings for retirement accrue early in a person's working life.

The conclusions drawn from this research were that there is a need for a broad range of policies to address such issues as access to:

- a decent retirement income for women who have 'invested' in the care of their families and communities;
- employment for women of all ages; and

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<http://www.business.vic.gov.au/busvicwr/assets/main/lib60013/workforce%20participation%20in%20victoria.pdf>

<sup>28</sup> A literature review and study of contemporary practices to address barriers to and provide options for increased participation for specific groups including women, mature-aged and marginalised jobseekers developed by Allen Consulting Group can be accessed from:

<http://www.business.vic.gov.au/busvicwr/assets/main/lib60013/barriers%20to%20and%20options%20for%20increased%20workforce%20participation%20in%20victoria.pdf>

<sup>29</sup> The *Paving the Way* research reports and summaries can be accessed from:  
[http://www.business.vic.gov.au/BUSVIC/STANDARD//PC\\_60928.html](http://www.business.vic.gov.au/BUSVIC/STANDARD//PC_60928.html)

- suitable information on how to save for retirement.

*Paving the Way* also explored the role of factors such as health status and children in determining older women's participation chances. It also added a unique 'dynamic' analysis of women's participation behaviour by focusing on the role of prior labour force experience in determining the likelihood of later life participation in the labour market.

The dominant finding of the study was of a very strong linkage between participation chances as an older woman and earlier labour market involvement. A woman who did not participate in the labour market when she was younger is quite unlikely to be involved when she is in her late forties, regardless of her current family and economic circumstances.

These findings applied to all women in the study but were especially pronounced in the results for the group of women without tertiary qualifications. It appears that for women with lower levels of qualifications later life participation behaviour is largely determined by the age of 35. For tertiary educated women later life participation is largely determined by the age of 45.

The social and economic impacts of not effectively addressing Victoria's declining workforce participation rate are significant including loss of competitive advantage, lower State economic growth, increasing fiscal pressure and adverse social and economic impacts on people and communities.

## 6.7 Returning to Earning

The *Returning to Earning* program extends and expands the highly successful *Parents Returning to Work* program and addresses two priorities of the Victorian Government:

- supporting people back into training and work; and
- broadening and deepening skills.

*Universal Access Grants* provide support to parents to return to work after an absence caring for children. Grants of up to \$1000 are available which can be used to cover any costs associated with approved training, such as books and materials, course fees, transport and childcare.

*Community Access Grants* targets under representative groups in labour market and provides grants to organisations, such as TAFE Institutes, Adult Community Education Centres, and other Registered Training Organisations, to support and help people with barriers to employment to access training that will lead to employment.

### Figure 2: Case Study – Returning to Earning

Tina was employed for several years as a Child Care worker before she married and had four children. Her husband Steve was in the army and she believed it was important to be at home while her children were growing up at primary school: 'My oldest, Liam, is now 14 and I've got three girls aged 9, 10 and 12. I had them nice and close but I wanted to be home with them until they got a bit older and more settled. Once that happened I felt it was time to get back into the workforce and earn some extra money for the family.'

To prepare, Tina, 33, went to a local Job Network agency and completed a senior level first aid course, knowing that work in her chosen field would require those qualifications. While she was



there, staff alerted her to the Victorian Government's 'Returning to Earning' grant scheme for parents seeking to re-enter the workforce after time out caring for her children.

'This was ideal for me, so I applied for a grant and decided to train as an Allied Health Assistant. This involved working with Physiotherapists, Occupational Therapists, Podiatrists, Dieticians, Nurses, and Speech Therapists.

'I chose to go to Mayfield Education in Melbourne and the grant paid for more than half of the course which was great, it made it a lot easier for me to afford to go back.'

Tina travelled by train to Melbourne two days every two weeks to attend Mayfield Education for six months in training and three months in job placement.

'I worked in a rehabilitation centre working with amputees, which involved working with a multi-disciplinary team of people which I enjoyed. I then found work with a disabled support foundation where I was working one on one with disabled people.'

Tina is now back working in child care but her new qualifications have enabled her to work with disabled children which she says gives her the best of both worlds.

'I'd have to say the grant from the Victorian Government really helped me get off to a good start and now I'm confident and content with what I do.' she said

## **6.8 Workforce Participation Partnerships**

*Workforce Participation Partnerships* (WPP) was developed to respond to two key issues:

- emerging skills and labour shortages; and
- the need to support disadvantaged jobseekers into work at a time of relatively low unemployment.

The Victorian Government allocated \$29.6 million for the WPP program over three years (2005-08). Since early 2006, 143 WPP projects have been funded across Victoria.

WPP has been highly effective in achieving sustainable employment outcomes for disadvantaged jobseekers by linking them to employers with skills and labour needs. Over 3,000 jobseekers with barriers to employment have gained sustainable employment, with more than 1,500 Victorian employers gaining staff as a result. As at 31 August 2008, over 1,400 women have achieved an employment outcome through Workforce Participation Partnerships. Examples of the particular projects targeted to women include *Women 4 Work* and *Construction Trades Apprenticeship Program for Women*.

### **6.8.1 Women 4 Work**

This Project (W4W) assisted women exiting prison and from Community Correctional Services (CCS) facilities to gain meaningful and sustainable employment through individualised pre-employment support, and training and placement support. This initiative built on existing partnerships between Corrections Victoria, Melbourne City Mission, business, and industry, training providers and the community. W4W has a particular focus on industries with staff shortages.

**Figure 3: Case Study – Women 4 Work**

Sue was convicted of work place fraud and spent almost six years at the Dame Phyllis Frost Centre. In early 2008, she was released from prison to serve the remainder of her sentence in home detention.

Sue was determined to work, however she experienced a number of barriers, mainly relating to re-entering the community and the workforce after such a long time in prison.

Being in home detention meant she had to plan for interviews in order to notify her parole officer of her movements. It also meant that she needed to inform potential employers of her situation and disclose her criminal record up front.

Prior to her imprisonment Sue had worked as an executive accountant/book keeper, but the nature of her offence meant that this type of work was not an option. Sue found it difficult to come to terms with having to change careers, in particular the prospect of having to take on work that she was unfamiliar with and she was not skilled at.

After many knock-backs, Sue found an employer who was willing to employ her with the knowledge that she had a criminal record and was in home detention. She accepted a position in telemarketing, even though it did not reflect her experience, qualifications, or skill level.

Since her appointment Sue has been given a promotion to a supervisory role and reports that she is happy with her work.

Sue's success can be attributed to her determination to find employment, her employer's acceptance and support as well as the assistance provided by Women 4 Work. Women 4 Work helped Sue to develop skills to navigate the current job market, become work ready again, and as well provide the emotional support and encouragement. This assistance continued into the early stages of her employment placement to support her and her employer with any issues that might have jeopardised her employment.

### **6.8.2 Construction Trades Apprenticeship Program for Women**

This project created employment and apprenticeships for women within the construction industry in trades such as electrical, carpentry, plastering, and offered higher training in the construction industry. Project case managers and mentors were involved for the duration of the project to gain the best outcomes for participants and employers.

### **6.9 New Workforce Partnerships**

New Workforce Partnerships (NWP) builds on the highly successful WPP programs (outlined above), and work at the local level to address both local skill shortages and disadvantage.

This new program will continue to focus on job opportunities in areas of skills and labour shortages, but will include a greater focus on placing clients of other State Government community support services into jobs. This will better link State investment in these services with employment and training outcomes.

NWP will offer a flexible model, tailoring assistance to the specific needs of jobseekers including women.

## **6.10 Conclusion**

The Victorian Government is building on the investments that it has made in training, major health initiatives and support to people to enable them to participate in the workforce. It is acting to raise participation rates, tackle current skills and labour shortages, and undertake long-term planning and action to ensure Victoria's future economic prosperity. Victorian women with dependents, as identified by the Victorian Workforce Participation Taskforce, are one of the key population groups whose workforce participation can be increased.

## **Attachment 7: Victorian Government initiatives – Equal Opportunity legislation**

### **7. Introduction**

In the regulatory arena both industrial and human rights based mechanisms have been available for some time to address issues of discrimination in the workplace.

In the industrial sphere, the basis for pay equity legislation is *the ILO Convention Concerning Equal Remuneration for Men and Women for Work of Equal Value*. Whilst the mechanism for implementing that Convention in Australia has principally been via industrial tribunals other legislative mechanisms are not excluded.

In the area of human rights, the UN Convention on the *Elimination of All Forms of Discrimination Against Women* provides the basis for the existing provisions in the *Equal Opportunity Act 1995 (Vic)*. While traditionally those provisions have been implemented via a system based on the remedying of individual complaints, the capacity for broader, complaints and non-complaints based measures in the *Equal Opportunity Act 1995 (Vic)* is also available.

#### **7.1 The Equal Opportunity Amendment (Family Responsibilities) Act 2008 (Vic)**

The Equal Opportunity Act prohibits discrimination based on a person's parental status or status as a carer in certain areas of public life, including employment and other employment-related areas. The *Equal Opportunity Amendment (Family Responsibilities) Act* (the Family Responsibility Amendment) expanded the range of what constitutes discrimination against parents or carers in employment and employment-related areas.

As at 1 September 2008, parents and carers are provided with further protection from discrimination in the workplace when trying to balance their work and family responsibilities.

Under the Family Responsibilities Amendment, an employer is required to seriously consider a request for flexible work arrangements – for example, flexible working hours, shift work, part-time work, overtime, scheduling of staff meetings, working from home, job sharing, leave arrangements – for an employee with parental or carer responsibilities. This does not mean that employers must agree to every request for changes to existing work arrangements, but they must consider all relevant facts and not refuse a request unless it is reasonable to do so under the circumstances.

Flexible work arrangements benefit employers, employees and their families. Improving work/life balance helps retain skilled staff, especially people with parental or carer responsibilities. This saves on recruitment and training costs and ultimately boosts productivity.

To help employers and employees strike a balance between business needs and family responsibilities, the Victorian Equal Opportunity & Human Rights Commission and Workforce Victoria have published guidelines to provide practical information to employers and employees about the new rights and responsibilities under the Equal Opportunity Act.

The guidelines provide details of the amendments, offer answers to common questions asked by employers and employees, and include a model process that employees and employers can

use to make and consider requests for changes to work arrangements and a ready reference guide.<sup>30</sup>

The guidelines were developed in consultation with the Australian Industry Group, Carers Victoria, JobWatch Incorporated (a community legal service specialising in employment matters), the Law Institute of Victoria, Small Business Victoria (Department of Innovation Industry and Regional Development), Office of the Workplace Rights Advocate, Victorian Automobile Chamber of Commerce, Victorian Employers Chamber of Commerce and Industry, Victorian Trades Hall and the Victorian Government's Working Families Council.

## 7.2 Review of the Equal Opportunity Act 1995 (Vic)

The Victorian Pay Equity Inquiry noted the limitations on advancing pay equity through individual complaint based mechanisms. Consistent with the direction envisaged in the Attorney-General's Justice Statement the Inquiry Working Party supported the development of broader measures, such as representative complaints, non-complaint based investigations and other proactive measures being available under the *Equal Opportunity Act 1995 (Vic)* to address pay equity issues.

Consequently, the Victorian Government undertook a review of the Victorian *Equal Opportunity Act 1995* (EO Act). The Options Paper to this review set out possible reforms based around five key issues, which includes ways to restructure the framework of the EO Act so that it would better address systemic discrimination. Pay inequity is one example of such discrimination, where there is a need to remove barriers and to achieve equality of opportunity. The *Equal Opportunity Review Final Report: An Equality Act for a Fairer Victoria* was released on Thursday 31 July 2008.<sup>31</sup>

The Victorian Government is now considering whether the Victorian Human Rights and Equal Opportunity Commission (Commission) should be given powers to launch its own investigations, enter into enforceable undertakings and issue compliance notices, rather than relying on individuals to pursue a complaint.

The Victorian Government will also consider the potential for transforming the Commission from a complaints-handling body to one that acts on systemic discrimination and facilitates resolution and compliance which, in turn, will require expanded research and education functions.

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<sup>30</sup> Employees who believe their employer has unreasonably refused to accommodate their parental or carer responsibilities can lodge a complaint with the Commission by calling the Advice Line on (03) 9281 7100. *Building eQuality in the workplace: Family Responsibilities – Guidelines for Employers and Employees* are available in the Publications section of the Commissions website: [www.humanrightscommission.vic.gov.au](http://www.humanrightscommission.vic.gov.au).

<sup>31</sup> The Equal Opportunity Review Options Paper can be accessed from: <http://www.justice.vic.gov.au/wps/wcm/connect/DOJ+Internet/resources/file/ebf7e804a231637/EqualOpportunityReviewOptionsPaper.pdf>  
*Equal Opportunity Review Final Report: An Equality Act for a Fairer Victoria* can be accessed from: <http://www.justice.vic.gov.au/wps/wcm/connect/DOJ+Internet/resources/file/eb411f4bb3b1944/Final%20Version%20-%20Final%20Report.pdf>