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An Affiliate of International Council of Jewish Women

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The Secretary
Standing Committee on Employment and Workplace Relations
House of Representatives
P.O. Box 6021
Parliament House
CANBERRA ACT 2600

Dear Sir / Madam

**RE: PAY EQUITY AND ASSOCIATED ISSUES
RELATED TO INCREASING FEMALE PARTICIPATION
IN THE WORKFORCE**

It gives me pleasure to present a Submission, **“Inquiry into Gender Pay Equity (GPE) and associated issues relating to increasing female participation in the workforce”**, presented by Dr. Anne Morris, on behalf of the National Council of Jewish Women of Australia Ltd.

National Council of Jewish Women of Australia (NCJWA) is an Affiliate of the Australian Women’s Coalition, and the International Council of Jewish Women.

We are committed to women’s issues locally, nationally and internationally.

I trust that this is of great assistance to you

Yours sincerely



RYSIA ROZEN OAM
National President

National Council of Jewish Women Australia
Inc
(NCJWA)

**Inquiry into Gender Pay Equity (GPE)
and associated issues relating to
increasing female participation in the
workforce**

Submission to the
Committee Secretary □
Standing Committee on Employment and Workplace Relations □
House of Representatives □
PO Box 6021 □
Parliament House □
CANBERRA ACT 2600 □

NCJWA's submission takes a broad approach to the subject, and predominately addresses the following aspects of the Inquiry:

- ***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:***
- ***The need for further legislative reform to address pay equity in Australia***

Background

Women currently earn an average of 84 cents for every dollar earned by men, despite equal pay being granted to Australian women in the 1972 Equal Pay Case. The results of pay inequity impact not only on women, but also on their families and communities. Women's lifetime earnings are low, leaving many women in poverty despite their significant contributions to society through raising children and caring for the aged, sick and disabled. Because of these factors, most families are forced to assume the traditional roles of male breadwinner and female carer, rather than equally sharing the load of both paid and unpaid work. However, those households in which women are the sole parents suffer disproportionately from pay inequity, and are at greatest risk of poverty and its associated effects.

The National Foundation of Australian Women (NFAW 2008) summarises the many causes of gender pay inequity, emphasising that they are complex and embedded in organisational and societal structures. They include:

- Gender segregation of the Australian workforce;
- Undervaluation of work predominantly performed by women;
- Concentration of women in lower level classifications with fewer opportunities for training and skill development;
- Caring responsibilities undertaken by women and the effect of subsequent fragmentation in their workforce participation;
- The consequent concentration of women in part-time and casual employment leading to fewer opportunities for skill development and advancement; and
- Reliance of women on awards as their primary wage setting arrangement.

Discussion

The causes listed above demonstrate that gender pay inequity is not a simple matter of women being paid less than men. It is the result of many complex societal factors, which tend to compound one on the other. Therefore any genuine attempt to address gender pay inequity needs to engage at many levels with the causes.

Feminised work is undervalued and underpaid

A major factor contributing to inequity concerns those areas of the labour market that are "feminised", the areas of work in which women predominate – such as nursing, teaching, hospitality, work in the community sector. Feminised work is underpaid, and this appears to be precisely because these jobs are what women do. Anna McPhee, Director of the Equal Opportunity for Women in the Workplace Agency, states that, "the 15.6% gender wage gap reveals the systemic discrimination in the

under-valuation of women's work". This systemic discrimination against women's work needs to be rectified.

Women's caring responsibilities the cause of their fragmented work lives

Attempts to address gender pay inequity and improve women's access to work need to be based on the understanding that women's work/career patterns are different from men's. Because women are primarily responsible for essential and ongoing "caring" responsibilities within families (not only to children, but also to ageing parents, and those with illness and disabilities), their working lives tend to be fragmented. A high proportion of Australian women regularly move in and out of the workforce, with changing patterns of work-force attachment before children start school. Even after children begin school the primary responsibility for children before and after school, when they are ill and on holidays, falls on women.

Governments, business and professional sectors need to recognise the problems women face in attending to these caring responsibilities, by developing women-focused and flexible work and training programs on the one hand, and better quality, more accessible and affordable systems of care, on the other. However, on the whole, workplaces have failed to offer flexible hours and conditions, and do not take into consideration women's significant commitments to families. In response, women have resorted to part-time work that allows them to fulfill their family obligations, and have suffered the resulting poor job security and lower rate of benefits. Pocock emphasises that "the price of their care is marginal labour market status" (Pocock 2003: 5). This once again reflects Australian society's undervaluing of women's unpaid caring contributions. Other societies, such as Nordic countries, have developed systemic approaches to these issues that result in greater equity, and better health and welfare outcomes across the population.

Women's career paths are thus routinely interrupted, and this contributes to gender pay inequity and the small number of women in high-paid, high-status positions. As a result of these patterns of work, women's superannuation is less than men's, so older women are at much greater risk of poverty. These systemic inequities would be ameliorated by the adoption of a universal system of paid maternity leave, as one significant element of a raft of changes that are necessary.

Universal paid maternity leave

NCJWA supports the proposal for paid maternity leave developed by the National Foundation of Australian Women (NFAW), based on its broad research of the subject. The NFAW's proposal, submitted to the recent *Inquiry into Paid Maternity, Paternity and Parental Leave*, recommends the introduction of a national paid maternity leave scheme, providing income replacement for six months, to meet the following objectives:

- To protect family incomes for mothers of newborns who leave work for six months to care for the infant, prepare for and recover from the birth and establish breastfeeding and attachment;
- To protect incomes of mothers' partners, and in some cases other family carers who leave work for a short period to care for and form attachments with a newborn baby;
- To enhance gender equity;
- To recognise and accommodate women's dual roles as earners and child bearers;
- To maintain workforce attachment of mothers, and through that, enhance female productivity and facilitate career progression and improved retirement savings for

- women;
- To enable families to afford to have children, without serious financial difficulties in the period around the birth; and
 - To distribute costs of the system equitably, ensuring that low income earners and small business enterprises are not disadvantaged.

A national scheme such as the one they outline would be an essential plank in a number of changes that are needed to address pay inequity and enhance women's workforce participation.

Child care

Another barrier to women's participation in the workforce is their lack of access to high quality, affordable childcare. Lacking this, women are coerced into unpaid caring roles in the home, or the use of informal and sometimes inadequate arrangements for children. Lack of adequate child care is particularly worrying in the case of solo parents, where the problem is exacerbated by the 'Welfare to Work' arrangements, which, through coercing single mothers into the workforce, put children of solo parents at particular risk.

As well as enabling women to participate in the workforce, childcare makes it possible for women to seek education and training, which are also essential planks of a group of changes that need to be made to increase women's equity and participation in the workforce.

Failure of 'Welfare to Work'

Women who are solo mothers have found that the draconian, punitive and coercive measures adopted in 'Welfare to Work' arrangements have impacted profoundly on their capacity to participate in appropriate well-paid work, while also impacting disturbingly on their capacity to look after children who are dependent on one parent for their day-to-day care. 'Welfare to Work' has virtually removed the opportunity for women to undertake education and training, which has been one of the most important elements enabling women to participate more equitably in the labour market.

Instead 'Welfare to Work' has funneled women into low-paid, low status, casual work with little hope of opportunities for advancement. It has feminised poverty, low labour status and low pay. It has also entrenched the **families** of solo mothers into low socio-economic status, ensuring that these families become socially excluded and marginalised, and set to develop the attendant health and welfare problems that governments find most difficult to address.

NCJWA believes that the 'Inquiry into Gender Pay Equity and associated issues relating to increasing female participation in the workforce' needs to include within its terms of reference a review of 'Welfare to Work'.

Training

Retraining is important for women returning to work after unpaid caring responsibilities. Yet accessible and affordable training and education opportunities for women have been severely reduced over the last decade. Training needs to be responsive to women's needs, as a recent report by Security4Women on education and training for Australian women (Turner-Zeller and Butler 2007) recommends. This report found that most women see education and training as a means to improved career and paid work outcomes, a way of increasing skills, building their confidence and interpersonal skills. Yet the cost of education, the scheduling and length of courses, and currency of course material, prevent women entering VET. Lack of

appropriate education contributes to the large numbers of women who are currently under-employed and in casual work.

The report points out that as women and young girls are not identified and visible in the VET system and the interlinking area of employment, they are not catered for equitably. There is no national system of data collection and disaggregation about women and girls, VET and their move to employment, including employment outcomes. The report thus questions the reliability of data fueling current policy direction and evaluation. It recommends the urgent establishment of a specific women-centred policy framework, that is flexible and has the capacity to cater for the diversity of women's needs.

A whole of government approach to the VET system and its links to employment for women, including the development of gender sensitive research, planning, monitoring and reporting systems synthesizing local, state and national policy, is required to meet the needs of women and young girls' economic security and financial well being. This, in turn, will enhance the nation's skill base, and economic competitiveness, as well as contributing to a more equitable and less divisive society.

The Security4Women report found a "a serious lack of appropriate information provided to women in all stages of their interactions with VET providers and career decision making". It points out that information needs to be responsive to the environment and life stages of women. It is also unhelpful that the information that is accessed most often recommends traditional career, education and work areas that are highly feminized, poorly paid and require low skills.

A deficient system of information dissemination and career 'guidance' tends to continue the promotion of highly feminized, and most often low paid, low skill requirement industries, to women from school age right through to older workers, as recommended study and work pathways.

Women living in remote areas, women with literacy or health issues, women of low socioeconomic status and older women were found to be most at risk of not accessing appropriate information.

The report points out that the lack of recognition of prior learning to women in small business, women retraining or returning to work and those with extensive practical experience, prolongs unproductive education and drains limited resources. Work placements and on-the-job training are seen as highly valuable and productive.

Gender and racial/cultural discrimination

Gender inequity in pay and workforce participation is inextricably linked to systemic gender and cultural discrimination. In a research project undertaken by the Australian Women's Coalition, many women from all types of business and professional backgrounds described the gender and racial/cultural discrimination they routinely experienced throughout their careers. Within their workplaces women were routinely not given the same opportunities as men, or when these became available they were offered later in life/career. Among examples given of the ongoing effects of such discrimination were experiences related by medical women, who described their resultant low morale. Women in medical leadership also commonly found that they were denied supportive infrastructure that equivalent male colleagues received (Morris and Bennett 2007). This demonstrates that gender discrimination is not just an element of low status, low paid work environments, but is pervasive within

Australia's labour market. Measures need to be developed to address this pervasive discrimination.

Suggestions

As we have stated, the causes of inequity are many, complex and compounding in their effects. Consequently the causes need to be tackled at many levels and within a whole of government framework.

Narrowing the scope of remedies, rather than seeking remedies within a broad framework will be counterproductive, as recent changes to Australia's labour and welfare environments demonstrate. The narrow functions of the Australian Fair Pay Commission, together with the reduced role for minimum rate industry awards, have rendered the equitable and timely determination of minimum wages problematic. The equal remuneration provisions in Federal legislation (which were inserted by Labor in 1993) lack the capacity to address gender pay equity because they rely on a narrow test of sex discrimination, which makes proof difficult (NFAW 2008).

This Inquiry and Government's intentions to change legislation present ideal opportunities to include in future legislation an object relating to pay equity. The determination of minimum wages is also critical to women's substantive pay position. However, given the complexity of the problem as outlined above, further work is needed to develop a program of action to improve pay equity outcomes for the Australian labour force, which include government, large employers and small to medium workplaces.

We support the recommendations developed by the NFAW (NFAW 2008).

1. The Government includes in revised industrial relations legislation an object relating to pay equity by the promotion of equal opportunity and the prevention of discrimination.
2. The Government directs the Department of Education, Employment and Workplace Relations in consultation with EOWA to consider and report on the best means of implementing this objective and to develop an action plan, and publish the report.
3. The Government asks the Public Service Commissioner, in consultation with the Department of Education, Employment and Workplace Relations, to undertake a pay equity audit in the Australian Public Service. Such an audit would serve as a prototype for audits in other industries.

In addition NCJWA recommends:

- Pay audits to be implemented generally in workplaces, alongside the development of transparent payment and promotion criteria, meaningful work valuation assessments, review of overtime payments, provision of flexible work practices for all staff, removal of gender bias from performance reviews and increases in pay for women.
- Increase levels of pay in the "feminised" areas of the labour market, so they are on a par with wages in "masculinised" work.
- Resource and develop women's educational opportunities, including re-training programs, in tandem with good-quality affordable and accessible child-care.

Education and training programs should be flexible and responsive to the diversity of women's needs.

- Re-introduce adequate leave arrangements, after an era of their erosion. Men and women need improved rights to sick and holiday leave, paid leave to care for sick dependants, and more flexibility in leave-taking.
- Introduction of a national/universal paid maternity leave scheme, providing income replacement for at least six months.
- Legislative, award and workplace action to develop women-focused, flexible and more care-friendly work. This includes a more healthy work/care regime, valuing the contributions of women, as well as de-casualising part-time work to develop secure part-time jobs.
- Support services for women returning to the workforce, that include widely available finance to make women's transition into education, training and employment more accessible.
- The urgent establishment of a specific women-centred policy framework, with the capacity to cater for the diversity of women's needs. This needs to include the development of gender sensitive research, planning, monitoring and reporting systems, and should bring together local, state and national policy frameworks.
- The urgent review of Welfare to Work and its impacts on women's access to equity in pay and workforce participation, as well as its wider impacts on families.
- Development of a universal system of high quality and affordable care, including child care.

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