



**Submission from the Australian Manufacturing Workers'
Union (AMWU) in relation to the Senate Inquiry into
“Gender segregation in the workplace and its impact on
women's economic equality”**

COVER SHEET

About the Australian Manufacturing Workers' Union

The Australian Manufacturing Workers' Union (AMWU) is registered as the “Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union”. The AMWU represents members working across major sectors of the Australian economy, including in the manufacturing sectors of vehicle building and parts supply, engineering, printing and paper products and food manufacture. Our members are engaged in maintenance services work across all industry sectors. We cover many employees throughout the resources sector, mining, aviation, aerospace and building and construction industries. We also cover members in the technical and supervisory occupations across diverse industries including food technology and construction. The AMWU has members at all skills and classifications from entry level to Professionals holding degrees.

The AMWU's purpose is to improve member's entitlements and conditions at work, including supporting wage increases, reasonable and social hours of work and protecting minimum award standards. In its history the union has campaigned for many employee entitlements that are now a feature of Australian workplaces, including occupational health and safety protections, annual leave, long service leave, paid public holidays, parental leave, penalty and overtime rates and loadings, and superannuation.

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A. Introduction

1. Gender segregation in the workplace and its impact on women's economic equality is an issue which extends across various industries and manifests itself in many ways, and especially through the gender pay gap. Its impact is often greater at senior management levels and in traditionally male-dominated industries and occupations. The gap is exacerbated by the fact that women often work part-time and casual hours affecting their take-home pay and accumulation of retirement earnings, and are often the primary caregiver to family members.
2. Manufacturing has traditionally been seen as male-dominated and as 'dirty, dangerous and difficult' requiring a high degree of physical strength. However, advances in health and safety, science and technology are leading to significant automation of what were once very physically demanding jobs. Greater concern for the well-being of workers (in the aim for reduced lost-time injury frequency rates (LTIFR) and workers compensation premiums) as well as greater competition is forcing companies to innovate and utilise technology to improve their manufacturing processes and their products. The higher skills required for these roles could be filled by women if industry and governments can develop policies that encourage women to enter the industry.
3. This submission will highlight the nature and extent of gender segregation and economic inequality in workplaces of the manufacturing industry. It will be argued that the failure to address these barriers will mean firstly, Australia misses out on productivity gains associated with greater female workplace participation and secondly, the skills' gap grows in industries and occupations of high demand including those which can be achieved in high-skilled manufacturing.

4. The importance of removing barriers and encouraging women into manufacturing through education and training will also be emphasised.
5. The AMWU also proposes use of the regulatory framework to provide specific protections for working women. This is particularly important when attempting to achieve a gender-inclusive workplace culture.
6. Creating a work culture that is family-friendly and flexible to the needs of both men and women is important. This requires strengthening the support and infrastructure for working carers.
7. The AMWU's submission supports and adopts the submission of the Australian Council of Trade Unions (ACTU) to this inquiry.

B. Background data on gender pay gap in manufacturing

8. The manufacturing industry in Australia is, and has traditionally been, male-dominated. According to the Workplace Gender Equality Agency (WGEA)¹, only 26.6% of employees were female in 2016. Significantly, in most manufacturing businesses, women largely remain engaged in the non-core activities of the enterprise. For example in 2016, 69.8% of employees engaged in clerical and administrative work were female whilst 92.3% of employees working in trades and as technicians were male. At the managerial level, the gap was also stark. At the lowest management level, females made up only 24.6% of all position as opposed to 40.8 % across all industries. More significantly, women make up only 5.3% of CEO roles whilst it was 16.3% across all industries. Relying on WGEA data, this translates into a gender wage gap of 14.2% in the manufacturing industry.

¹ *Workplace Gender Equality Agency (WGEA) Data Explorer*, Commonwealth of Australia - <http://data.wgea.gov.au/industries/10>

9. It is also important to look at some of the sub-groups within the manufacturing sector to understand the extent of gender segregation and the gender pay gap because this allows industry policymakers to better target measures to address the issue.
10. According to WGEA, in Food Product Manufacturing women make up 31.9% of the workforce and the gender wage gap is 11.2%. In Machinery and Equipment Manufacturing, women make up only 24% of the composition and the gap is greater at 22.9%.² The cause of these differences stem from factors some of which manifest across the whole economy whilst others are peculiar to manufacturing.
11. The manual trades within manufacturing are an area where women have been traditionally under-represented. These trades include fitting and machining, engineering, mechanical trade, and fabrication trades.³
12. The greater utilisation of technology (often referred to as Industry 4.0) is leading to significant automation, however highly qualified tradespeople and technicians remain in high demand due to a growing skills shortage. In particular, there are concerns about the supply of maintenance engineers, fitter mechanics and licensed aircraft mechanical engineers among others.⁴
13. Despite these shortages, women remain a relatively small part of this growing area. For example, in Aircraft Manufacturing and Repair Services, women make up only 14.7% of the workforce and the gender pay gap is 8.6%.⁵

² Workplace Gender Equality Agency (WGEA) Data Explorer, Commonwealth of Australia - <http://data.wgea.gov.au/industries/10>

³ *Women in the manufacturing industry*, Manufacturing Skills Australia – Background Research, March 2015, p.9

⁴ *Manufacturing: Advancing The Conversation*, Manufacturing Skills Australia Ecan 2015, p.26 - <http://www.mskills.com.au/DownloadManager/downloads/MSA%20EScan%202015.pdf>

⁵ Workplace Gender Equality Agency (WGEA) Data Explorer, Commonwealth of Australia - <http://data.wgea.gov.au/industries/317>

14. This is despite technicians and trade workers being the second highest growth occupation after professionals. Among the top five industries generating new jobs, Professionals, Scientific and Technical Services, ranked third but more significantly, they are on average highly-paid and male-dominated compared to the industries of health and social assistance where women make up the large bulk of qualified labour and pay is relatively much lower.⁶
15. Inadequate access to skilled labour has the potential to hold back investment and productivity growth. In particular, the productivity gains available through increasing the skills and career opportunities of a large untapped sector of the local Australian labour force.
16. The key question for industry and policymakers is how to eliminate the barriers that women face in these emerging growth industries. Removing barriers will assist in the filling of skill shortages in traditionally male-dominated manual trades. Relying on immigration and temporary working visas is an inadequate response to improving both gender inequality and skill shortages and leads to other problems of skill development.

C. Education and training

17. The barriers for women to pursue trades and technical positions within manufacturing often begin when girls explore their study options at secondary school. Research suggests that the probable origin of noticeable gender differences in occupation-related self-efficacy (also referred to as personal efficacy, that is the extent or strength of one's belief in one's own ability to complete tasks and reach goals), outcome expectations and interests derives greatly from differences in learning expectations based on

⁶ *Untapped opportunity: The role of women in unlocking Australia's productivity potential*, July 2013 , Ernst & Young (EY), p. 9 - [http://www.ey.com/Publication/vwLUAssets/Untapped_opportunity_-_The_role_of_women_in_unlocking_Australias_productivity_potential/\\$FILE/EY-Untapped-opportunity-The-role-of-women-in-unlocking-Australias-productivity-potential.pdf](http://www.ey.com/Publication/vwLUAssets/Untapped_opportunity_-_The_role_of_women_in_unlocking_Australias_productivity_potential/$FILE/EY-Untapped-opportunity-The-role-of-women-in-unlocking-Australias-productivity-potential.pdf)

gender role socialisation and the historical reinforcement of those roles.⁷ As a result, the emerging and highly-skilled manufacturing jobs that rely upon expertise in science, technology mathematics and engineering (STEM) are not being pursued by female students in sufficient numbers. This carries through to enrolments for vocational education and training (VET) and universities courses such as engineering, industrial design and computer sciences.⁸

18. The current trajectory in training and education is exacerbating the gender segregation in the labour force and increasing the number of women in the poorer paid occupations and professions. Whilst women are entering VET course in increasing numbers, they tend to be in courses that are related to poorly remunerated employment. For example, in 2015, of the percentage of women enrolled in VET courses related to 'engineering and related technologies', females made up only 8.9% of enrolments. By way of contrast, females in the 'Society and culture' courses made up 63.2% of enrolments and in 'Health' courses, 68.2% of enrolments.⁹

19. The developers of manufacturing-related VET courses in conjunction with industry recognise the struggle in attracting high calibre candidates including women. Whilst initiatives to attract female participation in VET courses has yielded some success, for example with enrolments up 15-20% in TAFE NSW courses, skills shortages in various trades are already being felt by industry. Thus, initiatives to attract women are even more important in order to fill the widening skills shortage.¹⁰

⁷ Williams C., Subich L. (2006). *The gendered nature of career related learning experiences: A social cognitive career theory perspective*. Journal of Vocational Behavior, p.69

⁸ *Women in the manufacturing industry*, Manufacturing Skills Australia – Background Research, March 2015, p.9

⁹ *Australian vocational education and training statistics, Total VET students and courses 2015*, National Centre for Vocational Education Research (NCVER)

https://www.ncver.edu.au/data/assets/pdf_file/0031/59584/Total-VET-students-and-courses-2015.pdf

¹⁰ *Manufacturing: It's in our national interest*, Manufacturing Skills Australia Ecan 2014, p.25-26

20. The difficulty in attracting women to manufacturing is also borne out in surveys measuring public perceptions about the sector. Negative perceptions were greater amongst women where in terms of the attractiveness of working within a range of industries, manufacturing was deemed the least attractive whilst for men the industry was middle ranking.¹¹

21. Ericksen (2013) suggests that these gender disparities and perceptions may be addressed on an individual basis by a career counsellor or institutionally by schools or, within training programs.¹² Whilst there are some industry support programs for women, such as the initiative by Aviation/Aerospace Australia (A/AA)¹³ which aims to encourage women to pursue career progression in the area,¹⁴ more needs to be done to encourage women to consider manufacturing specifically as a career option.

Recommendations: *The AMWU recommends that the Senate Committee to increase funding for trade apprenticeships and they should include firm gender equality targets and be accompanied by specific projects designed to improve gender inclusiveness to ensure that all young workers are employed in safe environments and free from bullying and harassment.*

D. Employment and Workplace culture

22. Another cause of gender segregation in the manufacturing industry is the difficulties women face in finding employers willing to take them on as

¹¹ *Public Perceptions of Manufacturing: Final Report*, prepared by Wallis Consulting Group Proprietary Limited for Commonwealth of Australia, Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education July 2013 – <http://resources.news.com.au/files/2013/10/09/1226736/461973-131010-manufacturing.pdf>

¹² Ericksen, Julia A (2013). *Women Pursuing Nontraditional Careers: A Social Cognitive Career Theory Perspective*, Cleveland State University, p.82

¹³ *Aviation/Aerospace Australia – Women in A/AA* - <http://www.aviationaerospace.org.au/pages/women-in-aa>

¹⁴ *Women in the manufacturing industry*, Manufacturing Skills Australia – Background Research, March 2015, p.28

apprentices, and then later finding secure employment. Many qualified women feel that they are not considered for positions because the majority of those in management and hiring positions are men.¹⁵

23. Having a workplace gender equality policy is an important component in driving cultural change, especially in male-dominated including manufacturing. As the government body responsible for promoting and improving gender equality in Australian workplaces, WGEA provides important guidance to enterprises about how they should develop such policies. One of the important objectives of such policies highlighted by WGEA is to provide full and genuine access to all occupations, including to leadership roles for women and men.¹⁶

24. Such policies will also address the cultural shift required in manufacturing workplaces as they are often not gender inclusive. In many worksites there are no or only limited female toilets or wash areas whilst others have female staff facilities outside of the factory. Women tradespersons also cited experiencing a lack of opportunities for career advancement being a female.¹⁷

Recommendations: *The AMWU recommends that the Senate committee support gender equality policies through legislative changes in order to break this hidden discrimination and build a culture of equality and respect in male-dominated workplaces such as the manufacturing industry.*

¹⁵ *WGEA boss wants to challenge Australia's highly gender-segregated workforce*, Australian Financial Review, 12 December 2016 - <http://www.afr.com/leadership/wgea-boss-vows-to-tackle-australias-highly-gender-segregated-workforce-20161212-gt958a>

¹⁶ *Developing a workplace gender equality policy – September 2014* Workplace Gender Equality Agency (WGEA), Commonwealth of Australia – <https://www.wgea.gov.au/sites/default/files/Characteristics-of-a-Gender-Equality-policy.pdf>

¹⁷ *Women in the manufacturing industry*, Manufacturing Skills Australia – Background Research, March 2015, p.9-10

E. Regulatory framework

27. An important element in addressing women's economic inequality in the workplace requires an understanding of the current regulatory workplace framework and whether it effectively protects working women from discrimination.
28. The *Sex Discrimination Act 1984 (Cth)* (**the SDA**) and the general protection provisions of *Fair Work Act 2009 (Cth)* (**the FW Act**) expressly aim to address workplace discrimination for women. This includes discrimination due to pregnancy, family responsibilities, and workplace policies that have a discriminatory effect. The National Employment Standards (NES) under the FW Act also allow an employee to request flexible working arrangements and unpaid parental leave.
29. Despite these protections, workplace discrimination against women remains prevalent. In 2014, the Australian Human Rights Commission (AHRC) conducted a survey where it found that 49% of mothers reported experiencing discrimination in the workplace at some point during pregnancy, parental leave or on their return to work. Significantly, of the 36% of mothers who reported experiencing discrimination in the workplace when returning to work, half of them reported discrimination when they requested flexible work arrangements, 38% reported discrimination related to pay, conditions & duties and 27% experienced discrimination during performance assessments & with career advancement opportunities.¹⁸
30. The only legislative provision that specifically addresses equal remuneration issues in the workplace at the federal level is section 302 of

¹⁸ *Supporting Working Parents: Pregnancy and Return to Work National Review – Report*, Australian Human Rights Commission (AHRC), 2014, p. 26-31
https://www.humanrights.gov.au/sites/default/files/document/publication/SWP_Report_2014.pdf

the FW Act. The 2011 SACS Equal Remuneration Case (SACS decision)¹⁹ was one of the first to consider the provision where it was determined that low-paid social and community services workers (**SACS**), the majority of whom were women, were not paid as for work of equal or comparative value. However, when determining percentage increases in the respective classification levels, rather than using a male comparator to determine the undervaluation of work due to gender, a comparison was made between the rates of pay between SACS industry and those paid to employees in state and local government for comparable work rather than using a male comparator. As MacDonald and Charlesworth (2013) point out, this decision protected the market-oriented approach to determining wages and limited considerations being given to gender-based undervaluation of work.²⁰

31. The decision in the 2015 Equal Remuneration Case²¹ saw the FWC depart from the SACS decision and determined that to make an order under section 302(5) of the FW Act, the Fair Work Commission (FWC) must engage in;

‘...essentially a **comparative exercise** in which the remuneration and the value of the work of a female employee or group of female employees is required to be compared to that of a male employee or group of male employees. **We do not accept that s.302(5) could be satisfied without such a comparison being made.** Section 302(5) could not be satisfied on the basis that an employee or group of employees of a particular gender are considered not to be remunerated in accordance with what might be considered to be the intrinsic or true value of their work’**(emphasis added)**.²²

¹⁹ *Australian Municipal, Administrative, Clerical and Services Union* (C2010/3131) [2011] FWAFB 2700, (‘SACS Equal Remuneration Case – 16 May 2011 Decision’), [248]

²⁰ *Equal Pay under the Fair Work Act 2009 (Cth): Mainstreamed or Marginalised?*, Macdonald, Fiona & Charlesworth, Sara [2013] UNSWLawJl 21; (2013) 36(2) *University of New South Wales Law Journal* 563 - <http://www.austlii.edu.au/au/journals/UNSWLawJl/2013/21.html#fn14>

²¹ Application by United Voice & Australian Education Union [2015] FWCFB 8200 (30 November 2015) (‘Equal Remuneration Decision 2015’)

²² *Ibid*, [290]

32. Whilst, the merits of the claim made by United Voice & Australian Education Union have not yet been determined, the decision has provided greater guidance about the jurisdictional prerequisite in measuring gender-based undervaluation of work.

33. The AMWU submits that whilst the prevention of workplace discrimination against women and the advancement of pay equity can be achieved through judicial channels, they are often time consuming, costly and depend upon employees and their unions to initiate proceedings, collect evidence and put forward the legal arguments with significant opposition from employer groups. Given the uncertainty of the process, the overall costs may outweigh the likely benefits it will deliver.

Recommendations: *The AMWU recommends that the Senate committee amend section 302 of the FW Act to recognise gender-based undervaluation of work in line with the approach of the 2015 Equal Remuneration Case and thus make it easier for parties to apply for orders to amend modern awards and enterprise agreements.*

The AMWU also recommends that the Senate Committee amend the FW Act by strengthening the flexible work arrangements under the NES and allowing the FWC to have a role in determining disputes regarding requests for flexible work.

Modern Award Review 2014

34. Under section 156 section of the FW Act, the 2014 Modern Award Review process (MAR process) is currently been conducted by the FWC where it has identified a number of issues that impact working women. As part of this process, various parties have made submissions in relation to casual and part-time employment, penalty rates, and a family-friendly work clause to supplement rights under the National Employment Standards (NES). The

Australian Council of Trade Unions (ACTU), the AMWU, and other unions have provided extensive submissions regarding these matters and the process remains ongoing. However, it is important to highlight how some of these issues affect the working conditions of women and achieving greater economic equality for women.

Casual and part-time employment

35. Women are disproportionately engaged in part-time and casual employment which results in greater gender economic inequality and instability in employment. In the manufacturing sector, women make up only 22.8% of full-time employees, whilst for part-time and casual employment women make up 77.5% & 43.5% of the manufacturing workforce respectively.²³
36. During the MAR process, the AMWU, ACTU and other Unions made various submissions seeking to have minimum engagement periods of four hours for both part-time and casual employment, part-time rostering provisions, and more effective casual conversion election provisions that allow employees the right to request conversion to permanent employment after a specified period of time.
37. On 13 October 2015, the AMWU had filed submissions to amend the existing casual conversion provisions under the *Manufacturing and Associated Industries and Occupations Award 2010* (the Manufacturing Award), *Graphic Arts Printing and Publishing Award 2010* (the Graphic Arts Award) and the *Food Beverage and Tobacco Manufacturing Award 2010* (the Food Award).²⁴

²³ *Workplace Gender Equality Agency (WGEA) Data Explorer*, Commonwealth of Australia - <http://data.wgea.gov.au/industries/10>

²⁴ Matter No: AM2014/196 and 197 - Submissions of the Australian Manufacturing Workers' Union (AMWU) – dated 13 October 2015

38. In its submissions, the AMWU provided evidence demonstrating that the current provisions were not effective in preventing employers from denying employees entitlements such as annual leave and sick leave. It also did not discourage the trend towards the use of 'permanent casuals' as the majority of casual conversion requests were being refused.²⁵ Survey evidence presented showed that 22% of manufacturing industry employees said they had not requested conversion as they were concerned about the negative consequences.²⁶ On many occasions, employees were not even notified of their right to make a request despite being an employer obligation under the relevant modern award or enterprise agreement.

39. The essence of the claim is to vary the current entitlement, which allows an employee to request conversion but can be refused by the employer, to a right to be "deemed" full or part time after 6 months, extendable to 12 months by agreement. Importantly, employees can 'opt out' and elect to remain as an ongoing casual employee. The AMWU's submission emphasised that evidence regarding use of the current provision and the nature of casual employment supports the 'deeming with opt out' methodology as a more effective process in achieving the policy objective behind the current provision which was introduced following the *2000 Casuals' Case*.²⁷ In that case, the Australian Industrial Relation Commission (AIRC) decided that casuals in the metal industry should be given the option of converting to permanency after 6 months regular and systematic work. Whilst acknowledging the need to facilitate casual labour, the AIRC made clear that this does not;

²⁵ Matter No: AM2014/196 and 197 - Submissions of the Australian Manufacturing Workers' Union (AMWU) – dated 13 October 2015, [294]

²⁶ Ibid, [70]

²⁷ Print T4991 - Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AMWU) (C No. 22704 of 1999), Re Metal, Engineering And Associated Industries Award, 1998 – Part I – Munro J, Polites SDP and Lawson C, Decision issued 29 December 2000

‘...justify a unilateral extension of a casual engagement nominally based on hourly employment over indefinite periods, in some cases for years. The **notion of permanent casual employment**, if not a contradiction in terms, **detracts from the integrity of an award safety net** in which standards for annual leave, paid public holidays, sick leave and personal leave are fundamentals’.²⁸

40. The outcome of the AMWU’s casual conversion submission is still pending. However, given that women are disproportionately engaged in casual employment, preventing the creation of a class of ‘permanent casuals’ is essential in order to protect the integrity of the minimum safety net for working women.

41. In their Report on Award Reliance, prepared for the FWC, Wright and Buchanan (2013) noted that 29% of respondents in the manufacturing industry said they typically paid casuals at the Award rate.²⁹ Casuals were even more likely than apprentices to be paid at the award rate in all but small businesses where half of all employees were paid at the award rate. Unlike apprentices, casuals were not identified as moving from the award rate to a higher rate.³⁰

Recommendations: *The AMWU recommends the Senate Committee protect the minimum safety net and address the growth of precarious employment and the job insecurity that it entails.*

The Senate committee should also ensure that ‘flexibility’ is not misconstrued as precarious casual jobs and that Award provisions enable permanent jobs to have increased flexibility for working women.

²⁸Print T4991 - Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AMWU) (C No. 22704 of 1999), Re Metal, Engineering And Associated Industries Award, 1998 – Part I – Munro J, Polites SDP and Lawson C, Decision issued 29 December 2000, [106]

²⁹ Wright, S. and Buchanan, J, *Award Reliance, Fair Work Commission Research Report - 6/2013*, Commonwealth of Australia p.32 - http://apo.org.au/files/Resource/fwc_award-reliance_2013.pdf

³⁰ Ibid, Table 3.28

Penalty Rates

42. Penalty rates aim to deter employers from making staff work long or abnormal hours and to compensate those who work outside of ‘normal’ hours. This entitlement to penalty payments can be found in modern awards and enterprise agreements.
43. Despite the shift in some sectors towards a “24/7” economy, weekends are still sacrosanct for many – and not just wage and salary earners. The idea of the weekend as a time for self and family remains part of the working culture with evidence from the 2014 Australian Work and Life Index survey (the AWALI survey) showing that over half of those who received penalty rates for working unsocial hours said that they would not work those hours if penalty rates were not offered.³¹
44. Significantly, the AWALI survey also suggests that women have a greater reliance on penalty rates to supplement their income and meet household expenses.³²
45. The recent FWC Full Bench decision on penalty rates (2017 Penalty Rates decision)³³ will have a greater impact on female workers as penalty rates were cut in modern awards that cover workers in the hospitality, fast food and retail industries which are female-dominated.³⁴
46. In dollar terms, a permanent worker in the retail sector will see their minimum Sunday penalty rate cut from \$38.88 to \$26.16. This equates to a cut of \$73.87 for someone working a 7.6 hour shift on a Sunday. For those

³¹ *Evenings, nights and weekends: Working unsocial hours and penalty rates*, Centre for Work + Life, University of South Australia, October 2014, p.13

³² *Ibid*, p.14

³³ [2017] FWCFB 1001 (23 February 2017)

³⁴ *Workplace Gender Equality Agency (WGEA) Data Explorer*, Commonwealth of Australia. – <http://data.wgea.gov.au/industries/95>
<http://data.wgea.gov.au/industries/76>

on a strict household budget, such a cut will have a massive impact on their economic wellbeing.

47. The attack on regulated patterns of work and distinct days of rest will mean that workers will not be compensated for missing out in many aspects of normal social life.

48. Further attempts to reduce penalty rates in other industries outside retail and hospitality will also affect the supply of workers particularly in the construction and manufacturing industries as the AWALI survey suggests they are least likely to continue working if penalty rates were not available.³⁵

Recommendation: *The AMWU recommends the Senate committee to pursue legislative remedies in response to the 2017 Penalty Rates decision in order to protect the pay and working conditions of all those, and especially the low paid, who work unsociable hours and of whom the majority are women.*

F. The support infrastructure for working carers

48. Family friendly, workplace policies are essential if women are to pursue the higher paying manufacturing and engineering roles of the future. This will require both incentives to facilitate cultural change within industry as well as changes to institutional and legislative frameworks.

Paid Parental Leave

49. An important pillar of encouraging greater female participation in the workforce has been the government funded, Paid Parental Leave scheme

³⁵ *Evenings, nights and weekends: Working unsocial hours and penalty rates*, Centre for Work + Life, University of South Australia, October 2014, p.16-17

(PPL). The purpose of the scheme is to provide financial assistance and increase the overall period of paternal leave that new parents can take.

50. The PPL is in addition to the employer-funded schemes. An analysis of hundreds of AMWU enterprise agreements reveals entitlements to paid parental leave in 350 agreements covering 8427 employees.³⁶

51. The AMWU submits that enhancing the scheme and encouraging employers in manufacturing to ‘top-up’ the scheme through a combination of paid and unpaid leave is vital in order to incentivise women to consider a career in the industry.

52. Research shows that many employers in the manufacturing industry are reluctant to employ women in key technical and subsequent management roles because of the difficulty in finding a temporary replacement when they take ‘career breaks’ i.e. maternity leave.³⁷

53. In 2014, the Australian Human Rights Commission (AHRC) conducted a survey where it found that 49% of mothers reported experiencing discrimination in the workplace at some point during pregnancy, parental leave or on their return to work. Significantly, of the 36% of mothers who reported experiencing discrimination in the workplace when returning to work, half of them reported discrimination when they requested flexible work arrangements, 38% reported discrimination related to pay, conditions and duties and 27% experienced discrimination during performance assessments and with career advancement opportunities.³⁸

³⁶ See for example: *Orica Australia Pty Ltd Kooragang Island Enterprise Agreement 2014* which provides 12 weeks paid parental leave; *H.J. Heinz Company Australia Ltd Echuca Enterprise Agreement 2016* which provides six weeks paid maternity leave and two weeks paid paternity leave; *GM Holden Ltd Enterprise Agreement 2014* which provides for between six to twelve weeks paid paternity leave.

³⁷ *Women in the manufacturing industry*, Manufacturing Skills Australia – Background Research, March 2015, p.10

Recommendations: *The AMWU recommends the Senate committee to maintain and enhance the government-funded PPL scheme. It is an important tool in changing cultural attitudes in the manufacturing industry and incentivising women to consider manufacturing as a career option. A failure to do so will inevitably contribute to an increase in the gender pay gap.*

Childcare arrangements

54. Access to affordable and quality childcare is another important plank in facilitating greater female workplace participation.
55. Whilst the AMWU does not support all its' recommendations, the Productivity Commission (PC) has acknowledged that the current Early Childhood Education and Care (ECEC) system is suffering from significant flaws. This includes the lack of flexibility in relation to operating hours which do not cater for employees who work non-traditional, irregular or unpredictable work patterns and the availability of fewer services offering childcare places for 0-2 year olds as compared to 3-5 year olds.³⁹
56. The PC has also highlighted issues related to the affordability of the ECEC system including out of pocket expenses for ECEC services which in Australia are higher than the OECD average. Government subsidies such as the Child Care Benefit (CCB) are so small they do not materially affect the affordability of ECEC services and are onerous for families to claim and for the federal government to administer.⁴⁰ Whilst the Child Care Rebate (CCR), which covers 50% of out of pocket child care expenses for approved

³⁹ *Childcare and Early Childhood Learning - Productivity Commission Inquiry Report*, Commonwealth of Australia, 2014, p.400 -

<http://www.pc.gov.au/inquiries/completed/childcare/report/childcare-volume2.pdf>

⁴⁰ *Ibid*, p. 449

child care subject to a cap, will increasingly become insufficient to meet the rising cost of ECEC service due to languishing wages growth and the rising cost of living.

57. The issue of affordability is more likely to be prevalent in families who use of long day care.⁴¹ Given that 88.3% of the manufacturing workforce is engaged in full-time work,⁴² the availability of long day care is critical in order to attract and retain women especially in supervisor and management roles.

58. An important way forward would be for employers to be more involved not only with the cost but also with the flexibility and availability of ECEC services. For example, for the employees of ExxonMobil, the company has developed a strong relationship with a local ECEC provider where employees are given prioritised access to high quality and competitively priced ECEC services within close proximity to the company's head office.⁴³ Whilst this arrangement may not be able to be replicated at smaller enterprises, we submit that employers can still develop relationships with local ECEC providers to lessen the burden for their employees and thus making it easier for them to return to work.

Recommendations: *The AMWU recommends the Senate committee to support increased government funding for ECEC services due to their rising cost as well as the general rising costs of living expenses. This will make it easier for women to re-enter the workforce after maternity leave and enable them to manage their carer responsibilities.*

⁴¹ *Childcare and Early Childhood Learning - Productivity Commission Inquiry Report*, Commonwealth of Australia, 2014, p.454 - <http://www.pc.gov.au/inquiries/completed/childcare/report/childcare-volume2.pdf>

⁴² *Workplace Gender Equality Agency (WGEA) Data Explorer*, Commonwealth of Australia - <http://data.wgea.gov.au/industries/10>

⁴³ *Childcare provides edge in war for talent*, Commonwealth of Australia, Workplace Gender Equality Agency - <https://www.wgea.gov.au/gender-equality-initiatives/childcare-provides-edge-war-talent>

G. Retirement income

65. An important factor related to the gender pay gap is the relatively low retirement incomes of women. Given that the superannuation system is tied to income, the failure to address the income gap will feed into the retirement system.

66. To address this issue, the AMWU made submissions to the *Senate Inquiry in to the Economic Security of Women in Retirement* in 2015.⁴⁴ Without repeating those submissions, some of the **recommendations** which are relevant to this submission are:

- Superannuation payments to be paid during periods of parental leave;
- Amending the safety net to secure permanent work pathways for long-term casual employees;
- A more generous threshold for superannuation co-contributions;
- Increase the Superannuation Guarantee by 2% for all women;
- Maintain the Low Income Superannuation Contribution; and
- A flexible system of voluntary contributions.

H. Conclusion

67. In this submission, the AMWU has highlighted some of the factors impacting on women's economic inequality, particular in relation to the manufacturing industry.

⁴⁴ *Australian Manufacturing Workers' Union (AMWU) Submission to the Senate Inquiry in to the Economic Security of Women in Retirement*, October 2015 - file:///S:/National%20Research/Inquiries/Submissions%202017/2017_01%20Senate%20Committee%20Inquiry%20into%20Gender%20Segregation%20in%20the%20Workplace/Productivity%20Com.%20AMWU.pdf

68. The failure to adequately address the gender wage gap and occupational segregation in the manufacturing industry and the economy more broadly would lead to the exacerbation of the skills shortages in many critical occupations and lead to losses in productivity.
69. The evidence shows that whilst there has been some progress, more needs to be done to encourage more women into the manufacturing industry through gender inclusive education and training programs as well as more flexible working arrangements to support those with caring responsibilities of which women bare the largest burden.
70. The absence of gender equality targets and other measures to encourage women into the industry could further entrench the pay gap between traditionally male dominated industries and relatively low paying industries and occupations such as teaching, nursing and healthcare. In particular, as the manufacturing sector seeks to obtain a competitive edge through design, product development, specialist expertise, technology and supply chain skills, women will miss out on the resulting highly-skilled and high-paying jobs of the future.

Australian Manufacturing Workers' Union

3 March 2017

Annexure A

Summary of Recommendations to the Senate Committee

1. The AMWU recommends that the Senate Committee to increase funding for trade apprenticeships and they should include have firm gender equality targets and be accompanied by specific projects designed to improve gender inclusiveness to ensure that all young workers are employed in safe environments and free from bullying and harassment.
2. The AMWU recommends that the Senate committee should support gender equality policies through legislative changes in order to break this hidden discrimination and build a culture of equality and respect in male-dominated workplaces such as the manufacturing industry.
3. The AMWU recommends that the Senate committee amend section 302 of the Fair Work Act to recognise gender-based undervaluation of work in line with the approach of the 2015 Equal Remuneration Case and thus make it easier for parties to apply for orders to amend modern awards and enterprise agreements.
4. The AMWU recommends that the Senate Committee amend the Fair Work Act by strengthening the flexible work arrangements under the NES and allowing the FWC to have a role in determining disputes regarding requests for flexible work.
5. The AMWU recommends the Senate Committee to protect the minimum safety net and address the growth of precarious employment and the job insecurity that it entails.

The Senate committee should also ensure that 'flexibility' is not misconstrued as precarious casual jobs and that Award provisions enable permanent jobs to have increased flexibility for working women.

6. The AMWU recommends the Senate committee to pursue legislative remedies in response to the 2017 Penalty Rates decision in order to protect the pay and working conditions of all those, and especially the low paid, who work unsociable hours and of whom the majority are women.
7. The AMWU recommends the Senate committee to maintain and enhance the government-funded PPL scheme. It is an important tool in changing cultural attitudes in the manufacturing industry and incentivising women to consider manufacturing as a career option. A failure to do so will inevitably contribute to an increase in the gender pay gap.
8. The AMWU recommends the Senate committee to support increased government funding for ECEC services due to their rising cost as well as the general rising costs of living expenses. This will make it easier for women to re-enter the workforce after maternity leave and enable them to manage their carer responsibilities.

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