



Pay Equity

The gender pay gap in men's favour is a persistent fact in Australia, with men on average continuing to out earn women by approximately 17%, looking at average weekly full-time earnings. This gap has fluctuated over the past 20 years, but since a low of 14.9% in 2004 it has grown to 17.6%. Projections made in 2009 indicated that, over their working lives, partnered men with children would earn over half as much again as women in the same position.

Attempts have been made to explain the gender pay gap by calculating the parts of it which may be due to women's personal characteristics such as work experience, qualifications and areas of study as well as factors relating to jobs such as employer size, industry segregation and extent of unionisation. But it is increasingly accepted that these explanations themselves reflect rather than explain women's disadvantages in the workplace and in most Australian studies do not account for the majority of the gap. Women simply do not benefit from the experience they do have in the workplace or from the qualifications they achieved to the same degree as men.

In the equal pay victory for social and community services (SACs) workers in Fair Work Australia (FWA) last year, significant pay increases were won for low paid women doing work vital to society's wellbeing. The FWA decided that the low pay in the sector was in part due to undervaluation because the work is traditionally seen as women's work and mostly done by women. This was a very significant landmark in the campaign for equal pay. However, it also demonstrated the need for changes in law and policy to enable similar successes for other low-paid feminised industries, and for employees covered by enterprise agreements.

To make pay equity policies effective there must be:

- A much quicker phasing in of increases. The SACs decision means workers must wait eight years to benefit in full from the 2012 decision;
- A reduction in the cost and time involved in running cases, with, for example, Government contributing to the costs, assisting test cases and having a proactive role to narrow contentious issues between parties;



- A strategy to comprehensively revalue low paid work mostly done by women, to ensure pay is the same as that for jobs of comparable value. This must include women on certified agreements;
- The funds necessary to meet the cost of such revaluation must be found by government and community. This is particularly important in light of the new National Disability Insurance Scheme and the increasing need for aged care services, both of which may result in expansion of female dominated occupations paid well below the value of their work.

Employers also need to take individual action to identify their Gender Pay Gaps (GPGs) and where and why these are occurring, at all income and occupation levels, including amongst better paid women where the GPG increases. To do this employers need to value jobs to ensure gender bias does not occur in how they are paid. Pay systems need to be formal and transparent with pay decisions made which are free of the sorts of biases which may mean men are more likely to benefit from how they are made than women.

The incoming Government also needs to take a lead in reviewing public sector pay equity proactively. Though the gap is less in the public sector, it remains unacceptable at 12.9% (compared to 20.9% in the private sector).

Recommendations

1. The Pay Equity Unit, which began work in Fair Work Australia on 1 July 2013, should be resourced to provide effective assistance to Government, employees, employers and unions to promote pay equity. This should include a fund to provide Government assistance in undertaking research required to narrow areas of disagreement between parties.
2. There should be a formal public review of progress made in 2014 by State and Territory governments and state NGOs in fully implementing the Fair Work Australia Equal Pay decision for SACs workers.
3. Effective strategies for equal remuneration for Early Childhood Education, NDIS and other care workers, and Aged Services workers should workers be progressed urgently.



4. Strategies for achieving pay for work of comparable value for women whose pay and conditions are governed by certified agreements rather than awards should be implemented.
5. Gender Equity Indicators established as part of the Workplace Gender Equality Act 2012 should be, and remain, both 'rigorous and standardised', as declared in the explanatory memorandum of the Act.
6. Given the gaps in the coverage of reporting agencies under the WGEA, mechanisms should be established to ensure all private, not for profit and public sector employers are accountable for ensuring that jobs are fully and fairly described and valued, and paid so as to ensure gender does not affect remuneration for jobs of comparable value done by women and men.