

Submission to the Review of the Workplace Gender Equality Act

**Emma Dawson,
Matthew Lloyd-Cape
and Angela Stevens**

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FIGHTING INEQUALITY IN AUSTRALIA

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About Per Capita

Per Capita is an independent think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia based on fairness, shared prosperity, community and social justice.

Our research is rigorous, evidence-based and long-term in its outlook. We consider the national challenges of the next decade rather than the next election cycle. We ask original questions and offer fresh solutions, drawing on new thinking in social science, economics and public policy.

Our audience is the interested public, not just experts and policy makers. We engage all Australians who want to see rigorous thinking and evidence-based analysis applied to the issues facing our nation's future.

About the Authors

Emma Dawson, Executive Director

Emma has worked as a researcher at Monash University and the University of Melbourne; in policy and public affairs for SBS and Telstra; and as a senior policy adviser in the Rudd and Gillard Governments.

Emma has published reports, articles and opinion pieces on a wide range of public policy issues. She is a regular contributor to Guardian Australia, The Age and The Australian Financial Review, and a frequent guest on ABC and commercial radio programs nationally. She appears regularly as an expert witness before parliamentary inquiries and speaks at events and conferences in Australia and internationally.

Emma is the co-editor, with Professor Janet McCalman, of the collection of essays *What happens next? Reconstructing Australia after COVID-19*, published by Melbourne University Press in September 2020.

Matt Lloyd-Cape, Director of Policy and Research

Following a brief career as a carpenter, Matt has worked on issues of poverty, economic inequality and social justice in a range of jobs. Over the past 15 years he has worked in trade unions, international development NGOs and with universities. Prior to joining Per Capita he worked on international and social policy issues at the Australian Council of Trade Unions as an International Officer.

Matt holds an MSc in International Relations and Development from the School of Oriental and African Studies (SOAS), University of London, where he wrote on the role of corporate social responsibility in industrial relations. He also has an MPhil in Political Economy from Central European University, where he researched cross-border trade union action in global supply chains.

Angela Stevens, Research Associate

Angela holds a Bachelor of Arts in Economics & Politics and International Studies and a Diploma of Languages in German from the University of Melbourne. With plans to pursue a combined Honours year in 2022, Angela's research interests are in health policy, voter behaviour and economic and financial security.

She is a 2021 Startmate Student Fellow and one of the founders of vida (VIDA Melbourne), a social enterprise that delivers engaging workshops on financial literacy basics for young women at local high schools and tertiary institutions.

Introduction

Per Capita welcomes the opportunity to contribute this submission to the Review of the Workplace Gender Equality Act, 2012 (the Act), which sets the scope of work for the Workplace Gender Equality Agency (WGEA). The Act has not been reviewed since its introduction in 2012, and the public's understanding of the gender pay gap, and its manifestation in the Australian workforce, has developed considerably in the intervening years.

The impact of COVID19 increased the gender pay gap in Australia: the 31st of August marked Equal Pay Day in Australia in 2021, where a woman needed to work an additional 61 days to earn the same pay as a man. By comparison, women needed to work an extra 59 days in 2020, and an additional 58 days in 2019. Although the gender pay gap fell to 13.9% in November 2020, this slight decrease was attributed to a decrease in men's hours worked, rather than an improvement in women's wages.

Gender equality in the workplace is a complex issue, for which detailed, timely and accurate data is required. Reducing gender inequality in the workplace requires that the scope and scale of the problems entailed are well documented, widely available and open to analysis.

The work of the WGEA has increased the knowledge base of some elements of gender inequality in the workplace, by a significant degree. However, the scope of the WGEA's data collection limits understanding of the complex causes of gender inequality at work. This is primarily due to the limits of the measure of *Adult Weekly Ordinary Time Earnings (AWOTE)* used to quantify the gender pay gap under the Act.

Further, as outlined below, the WGEA's analysis tends to combine many of the intersecting causes of women's workforce disadvantage into the simple catch-all definition of "discrimination". As we will discuss, the motherhood penalty, the highly gender segregated nature of Australian industries and the relative underpayment of jobs in feminised industries through lower rates of award wages cause structural imbalances in the pay of men and women which go far beyond active discrimination.

This submission will focus on the scope of the information collected by the WGEA as determined by the Act, including measurement tools, the coverage of employers and the lack of intersectional data gathered.

Scope of information gathered by the Workplace Gender Equality Agency

- Part time and casual workers' pay is not collected, meaning that the most marginalised and feminised industry workers are not included. Comparing only AWOTE earnings disguises the real lifetime gender earning gap, which is over 30%.
- Age is not recorded, which reduces the capacity of researchers to understand the changing dynamics of gender inequality. For example, as we show below, women experience a significant "motherhood penalty" when leaving the workforce to raise a family.
- Non-binary people are not recorded, which results in a lack of data collected on a group highly vulnerable to discrimination.¹ The ABS has an established Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variables which could be incorporated.

¹ See for example, Skylar Davidson, Jamie Halsall (Reviewing Editor) (2016) Gender inequality: Nonbinary transgender people in the workplace, *Cogent Social Sciences*, 2:1, DOI: 10.1080/23311886.2016.1236511

- Data on the number of workers from culturally and linguistically diverse (CALD) backgrounds, Aboriginal and Torres Strait Islander (ATSI) people and people with disabilities (PWD) is not sufficiently recorded, resulting in a lack of information to enable researchers and policy makers to understand the intersectional impact of gender inequality in the workplace.

Coverage of the Workplace Gender Equality Act

- Women are disproportionately employed in smaller private sector workplaces. However, the WGEA only gathers data on companies with more than 100 employees. This means that the current WGEA cut off number for reporting leads to data biases in relation to the overall population.
- Linked to the previous point, larger organisations tend to show better gender equity outcomes against some measures. For example, the WGEA Progress Report 2019-20 showed that firms with 500 or more employees were significantly more likely to have a policy on equal remuneration of men and women than firms with 100-499 employees (74.2% compared with 59% respectively).²
- Public sector employers are not required to report to the WGEA. The 2019-20 WGEA Progress Report recommends that Australian Public Service be included as required reporting organisations. However, the recommendation only extends to Federal public sector workers.

Key recommendations

1. That employers be compelled to report both Average Weekly Ordinary Time Earnings (AWOTE) and Adult Weekly (total cash) Earnings (AWE) for their businesses, and to report the hours of part time and casual workers by gender.
2. That the size at which private sector organisations must report to the WGEA should be reduced from 100 to 50, in line with the ASIC definition of a large company.³
3. That all federal, state, territory and local government employers should be required to report to the WGEA.
4. That the WGEA work with the ABS to develop methodologies to measure the earnings gap in contract, sole trader and gig economy work.
5. That the age of workers be included in the data collected.
6. That non-binary gender data should be recorded, with the agreement of employees, consistent with ABS Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variables.
7. That data on the number of workers from CALD backgrounds, ATSI peoples and people with disabilities should be recorded with the agreement of employees.
8. That employers provide details of paid parental leave, both in terms of that made available and that taken up by men and women.

² <https://www.wgea.gov.au/sites/default/files/documents/WGEA%20Progress%20Report%202019-20.pdf>

³ <https://asic.gov.au/regulatory-resources/financial-reporting-and-audit/preparers-of-financial-reports/are-you-a-large-or-small-proprietary-company/>

What is missing from the Workplace Gender Equality Act?

The gender pay gap, as it is commonly understood and measured, accounts for the difference between the incomes of men and women based on the average *adult weekly ordinary time earnings* (AWOTE) – that is, the income from working full time. The ABS notes the deficiencies of this measurement in providing a true picture of the earnings gap experienced by Australian women, due to the fact that it “...omits a large proportion of female employees who... are more likely to be employed on a part-time basis”.

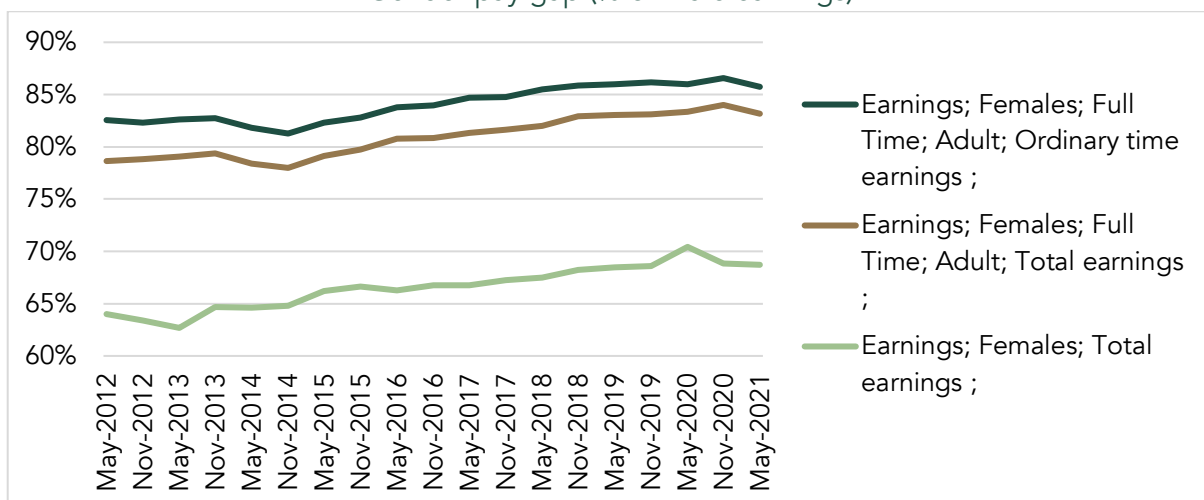
Further, states the ABS:

“[a]s a weekly measure reliant on full-time status, this measure does not take into account the variation in the average number of hours worked between women and men employed full-time (36 hours for women compared to 40 hours for men).

An important consideration when interpreting this measure is in the differences in age for full-time employees, and in particular that earnings generally increase with age. The percentage of employed women who work full-time hours peaks in the late 20s age group [and] drops to between 54 and 61 per cent, up to the age of 60 years. Employed men, by comparison, do not experience the same changes, with the percentage employed full-time remaining at around 90 per cent for the majority of working years.”⁴

Amongst OECD countries, the gender pay gap – measured as the difference in full-time, median earnings between men and women - fluctuates between 14 and 20 per cent. Australia’s gender pay gap has consistently decreased since 1970 and fluctuated between 14% and 19% over the past two decades and hovers slightly below the OECD average⁵. The current gender pay gap sits at 14.2% and has increased by 0.8 percentage points over the past six months⁶. On average, this means that men working full-time earned an additional \$261.50 per week⁷.

Figure 1
Gender pay gap (% of male earnings)



⁴ Australian Bureau of Statistics, 4125.0 [Understanding measures of the gender pay gap](#), Australia, January 2019

⁵ Ibid.

⁶ WGEA (2021). *Australia’s Gender Pay Gap Statistics 2021*. Workplace Gender Equality Agency. <https://www.wgea.gov.au/publications/australias-gender-pay-gap-statistics>.

⁷ Ibid.

Part time work leads to full time inequality

While women comprise over half of the paid workforce, their employment status remains far from equal to that of men. With an unemployment rate of 5.4% as of October 2020, women are slightly more likely than men, with an unemployment rate of 5%, to be out of work⁸.

More significantly, though, the ABS's recent labour force figures unveil a startling gender divide in the type of employment: women comprise just 38.1% of full-time employees, but 67.4% of part-time and 56.3% of casual employees⁹. Women are much more likely than men to be working part-time in Australia – almost half (43%) of women in the workforce are in part-time roles, compared with a mere 16% of employed men.¹⁰ Among OECD nations, only in Switzerland, the Netherlands and Japan are a higher proportion of women working part-time.¹¹

Worse still, women are more likely to undertake insecure work with scant paid leave entitlements: in 2019, 26.4% of all female employees were casual workers, compared to 22.4% of their male counterparts¹².

The real gender pay gap

The reliance on the measurement comparing the full-time earnings of men and women omits entirely the experience of the almost half of working women in Australia who work part time. While using the *Average Weekly Ordinary Time Earnings (AWOTE)* measurement allows analysts to compare 'apples with apples', and produce clear and unequivocal evidence of different rates of pay for the same work (which has been illegal in Australia for decades), this approach actively works against our ability to capture the real causes of women's significantly lower levels of lifetime earnings, and means that our policy responses to addressing the financial insecurity of women are based on an incomplete understanding of the challenge.

When all workers are included (part time and full time), and we compare the incomes of all workers by using the average *adult weekly (total cash) earnings (AWE)*, the gender pay gap increases to 31.3%¹³.

Over a lifetime, the real earnings gap between men and women, due to the prevalence of part-time work among Australian women, and the underpayment of work in feminised industries, is significant, and has material implications for women's financial insecurity, opportunities and retirement incomes.

⁸ ABS (2020). *Gender Indicators, Australia, December 2020*. Cat. ABS 4125.0. Australian Bureau of Statistics. <https://www.abs.gov.au/statistics/people/people-and-communities/gender-indicators-australia/2020>.

⁹ OECD (2020). *OECD.Stat: Incidence of FTPT employment - national definitions: share of part-time employment by gender*. Organisation for Economic Cooperation and Development. https://stats.oecd.org/Index.aspx?DataSetCode=FTPTN_I.

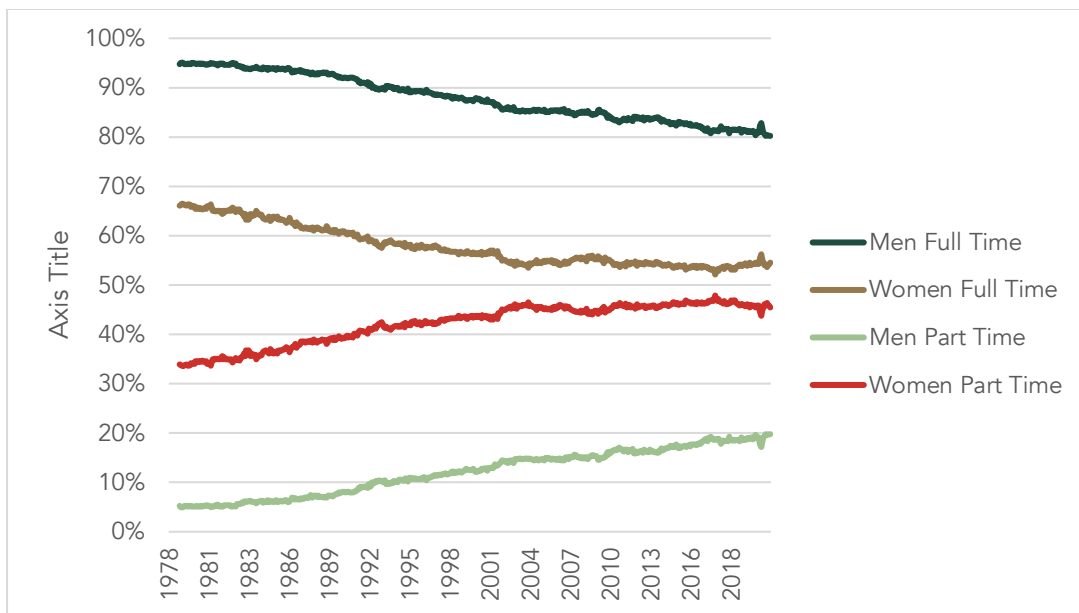
¹⁰ Department of Employment, Skills, Small and Family Business. (2019). *A statistical snapshot of women in the Australian workforce*. Australian Government Department of Education, Skills and Employment. <https://www.dese.gov.au/newsroom/articles/statistical-snapshot-women-australian-workforce>.

¹¹ Australian Bureau of Statistics (2020). *Casuals hit hardest by job losses in 2020 – Media release*. Accessed 19 Nov 2021. <https://www.abs.gov.au/media-centre/media-releases/casuals-hardest-hit-job-losses-2020>.

¹² Australian Bureau of Statistics (2020). *Characteristics of Employment, Australia, August 2020*. Accessed 19 Nov 2021. <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/characteristics-employment-australia/latest-release>.

¹³ WGEA (2021). *Australia's Gender Pay Gap Statistics 2021*. Workplace Gender Equality Agency. <https://www.wgea.gov.au/publications/australias-gender-pay-gap-statistics>.

Figure 2
Part-time and full-time workforce by gender



Source: ABS 6202.0

While women may ‘choose’ to work part time, they do not make such choices in a vacuum; as the graph above shows, there has been a secular increase in part time work for all workers over the past four decades, regardless of gender. But for women, there has been a longstanding set of social value judgements which translate into workforce structure patterns. More attention to the limitations placed on women’s workforce participation and earning power due to social constructs around unpaid and low-paid ‘women’s work’, especially care work, is essential if we are to address the real causes of the gender pay gap.

Ultimately, in order to start reducing the discrimination that underpins much of the gender pay gap it will be necessary for regulatory bodies to recognise the complex structural causes that inform the excuses relied upon for not giving women the same opportunities as men to advance their careers and realise their full potential. This will also necessitate a focus on measuring progress towards shifting the structural organisation of work away from the full-time, male breadwinner model towards a more flexible and family-friendly arrangement over time.

Where women work

The WGEA does not collect data from public sector workers, at the federal, state or local level. However, women make up 54.5% of public administration workers. Given that women work disproportionately in the public sector, we believe that data should be gathered on these employers.

The Workplace Gender Equality Act requires the Agency only to gather information from employers with more than 100 employees (“relevant employers”, in the terminology of the Agency’s reports). In practice, this means only around third of all employers are included in the agency’s work.

However, women are disproportionately employed in smaller private sector workplaces, meaning that the WGEA data, though a valuable source of the information we need to track the gender pay gap over time, cannot provide a full picture of what is happening to most working women in Australia. It doesn't enable us to see with clarity what is happening in smaller workplaces in relation to the availability of flexible working hours, or the career paths and opportunities for advancement for mid-career women. There is research which suggests that the gender pay gap increases with firm size.¹⁴ It would be valuable to test such hypotheses using WGEA data with firms smaller than 100 employees.

We would further note that data about the nature and extent of contract work, especially work in the so-called gig economy, is both scarce and unreliable. Women make up a significant proportion of self-employed and sole trader workers. As such, developing methodologies to capture the pay differences in contract and gig economy work will be critical to understanding the trajectory of the gender pay gap.

Understanding the lifetime gender pay gap

Education and early career

Australian girls and young women are out-performing men in the rate of school completion and tertiary education. Year 12 completion rates for women nationally now sit at 89.9% compared to 84.4% for men. And amongst young Australians today, 44.7% of women aged 25 – 29 have a bachelor's degree or above, compared to just 32.1% of men in the same age bracket.¹⁵

The percentage of women who have attained a bachelor degree has increased by 10.7% over the past decade, relative to 7% for men.¹⁶

Yet when these undergraduates enter the workforce, women are typically paid less than their male counterparts. In 2019, women received starting salaries 4.9% lower than those for men¹⁷. By 2020, this gender pay gap in median starting salaries fell to 2.46%¹⁸. Strikingly, the largest of these graduate gender pay gap was observed in the dental industry: female graduate dentists can expect to earn just shy of 12% - or \$10,700 - less than their male counterparts¹⁹.

As Per Capita outlined in our *Measure for Measure: Gender Equality in Australia* report, much of this difference is due to the subjects girls choose to study at school, and the resulting courses and qualifications they gain at university; fewer women graduate with qualifications in the STEM subjects that often lead to more highly remunerated careers.²⁰

At the same time, though, women account for half of Australia's medical graduates, and have for two decades or more;²¹ and the most recent data shows that almost two-thirds of graduates in law firms

¹⁴ <https://www.aiel.it/cms/cms-files/submission/all20200710124039.pdf>

¹⁵ <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202018~Main%20Features~Education~5>

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Adema, W., & Frey, V. (2017). *The pursuit of gender equality: an uphill battle. How does Australia compare?* OECD – Organisation for Economic Cooperation and Development. <https://www.oecd.org/publications/the-pursuit-of-gender-equality-9789264281318-en.htm>.

²¹ Level Medicine (2017). *Gender equity in medical specialties*. Level Medicine. <http://levelmedicine.org.au/resources/completed-fellowship-papers/gender-equity-in-medical-specialties/>.

nationally are women.²² Starting salaries in these highly paid sectors tend to be the same regardless of gender, yet over the life course, women in medicine, dentistry and law experience a significant gender pay gap.

Latest WGEA data shows that "...women hold 13.7% of chair positions and 25.8% of directorships and represent 17.1% of CEOs and 30.5% of key management personnel".²³

The gender pay gap starts when women enter the workforce, persists across every industry, and only increases over time. Shockingly, the impact of the gender pay gap on women in lower-paid, part-time and casual jobs is significant; but even when women are highly qualified in professional fields, the gender pay gap remains a significant problem. Feminised industries such as healthcare and social assistance also offer fewer bonus and overtime payments compared to male-dominated sectors such as construction and financial services, reinforcing the belief that so-called 'women's work' is deeply undervalued²⁴.

Table 1
Australian industries with the five largest pay gaps²⁵

	Women earn...	Loss in weekly earnings
Professional, scientific and technical services	25.3% less	\$570.90
Financial and insurance services	24.1% less	\$560.00
Healthcare and social assistance	20.7% less	\$408.50
Rental, hiring and real estate	19.1% less	\$331.60
Mining	17.2% less	\$471.90

Source: WGEA's 2020 Gender Equality Scorecard

These figures relate to people employed full-time in large businesses, on salaries that often include salary packaging and additional sources of income such as annual bonuses, shares or vehicle subsidies. They reflect the fact that as women progress into executive and management roles, the gender pay gap increases. Research undertaken by the University of South Australia found that out of 539 Australian firms listed on the ASX, 80% of them paid their female executives at least 30% less than their male counterparts²⁶.

Governments are responding to this issue, both here and internationally, primarily through measures aimed at reducing the gender pay gap where it exists for women who receive less pay for doing the same work as men, and by encouraging large corporations to actively promote women to leadership positions and appoint more female directors to company boards. Indeed, the latest WGEA data show that women represent 18.3% of CEOs and female representation on boards increased to 28.1% in 2020. Despite this, the Chief Executive Women's 2021 Senior Executive Census found that women hold a mere 26% of executive leadership roles in the ASX200.

²² Pitcher Partners (2019). *Pitcher Partners 2020 legal survey*. Pitcher Partners. <https://www.pitcher.com.au/pitcher-partners-2020-legal-survey/>.

²³ <https://www.wgea.gov.au/data/fact-sheets/gender-workplace-statistics-at-a-glance>

²⁴ Ibid.

²⁵ WGEA (2021). *Australia's Gender Pay Gap Statistics 2021*. Workplace Gender Equality Agency.

<https://www.wgea.gov.au/publications/australias-gender-pay-gap-statistics>.

²⁶ Mansfield, A (2021). *Gender pay gaps: Self-sabotaging diversity and profits in Aussie firms*. University of South Australia.

<https://www.unisa.edu.au/media-centre/Releases/2021/gender-pay-gaps/>.

While these measures really only address factors contributing to the gender pay gap for a relatively small number of already highly-paid women, they do appear to be having some effect. Figures from the Australian Institute of Company Directors show that, while just 29.7% of directors in on the boards of companies in the ASX200 were women as of October 2021, women comprised 42.3% of new appointments to such boards in 2019, a slight decrease from 45.4% in 2019.²⁷

This work to address the gender pay gap in Australia is spearheaded by the WGEA. Its annual report tracks the number of women in senior executive roles and leadership positions. The Agency also gathers accurate data on the gender pay gap within and between industries; requires companies to record and report on the gender pay gap in their business; and publishes guides to encourage businesses and agencies to set voluntary targets for equal gender representation on government and corporate boards. The latest WGEA Gender Equality Scorecard noted that although 46.4% of the organisations included in the WGEA's dataset are analysing pay data, just shy of 55% of employers are taking some form of action to reduce gender pay gaps in their workplaces²⁸.

The lack of accountability required from employers to take decisive action on workplace gender pay gaps has seen Australia fall behind on measures of transparency and implementing appropriate incentives, punishments and mandatory obligations to change ingrained organisational behaviours. It has also seen Australia – in a landmark study conducted by the Global Institute for Women's Leadership and King's College London – rank equal last on a gender pay gap scorecard across six countries: France, South Africa, Spain, Sweden and the United Kingdom. Shockingly, Australia received a score of 4 out of 11, ranking equal last with the United Kingdom²⁹. Australia's precipitous fall on the Global Gender Gap Index from 23rd to 50th over the past decade can arguably be attributed to the relative lack of formative action on gender pay equity³⁰.

No amount of reporting on salaries or setting targets for executive roles, or increasing the number of women on ASX 200 boards will ever significantly reduce the gender pay gap, for the simple reason that these measures can't address the real cause of the gap in lifetime earnings between women and men. Even among professional women in Australia, the gender pay gap is primarily caused by lack of career advancement, and a high proportion of part-time work. This is perhaps most clearly demonstrated in the examples of women in medicine and law. Despite their equal or higher representation at graduate levels, as noted above, women are much less likely to advance to the highest professional levels. Why?

The motherhood penalty

The archetypal family arrangement in heterosexual Australian households is a '1.5 earner model', whereby the male partner works full-time and the female partner works part-time³¹. To a far greater extent than in most economically and socially comparable nations, families in Australia remain fashioned around the model of a male breadwinner and a female primary carer in the home. Such caring responsibilities and

²⁷ AICD (2021). *Board Diversity Statistics*. Australian Institute of Company Directors. <http://aicd.companydirectors.com.au/advocacy/board-diversity/statistics>

²⁸ WGEA (2020). *Australia's Gender Equality Scorecard*. Workplace Gender Equality Agency. <https://www.wgea.gov.au/publications/australias-gender-equality-scorecard>.

²⁹ CEW (2021). *CEW Senior Executive Census 2021*. Chief Executive Women. https://cew.org.au/wp-content/uploads/2021/09/CEWCENSUS21_ASX300Report_FINAL.pdf.

³⁰ Ibid.

³¹ Craig, L., & Powell, A. (2012). Dual-earner parents' work-family time: the effects of atypical work patterns and non-parental childcare. *Journal of Population Research*, 29(3), 229–247. <http://www.jstor.org/stable/23314992>

household duties are deeply intertwined within a woman's career path – KPMG estimates that 39% of the GPG is attributable to the years women spend out of the workforce to care for children³².

When women in Australia have children, most of them stop working full-time; a typical mother with at least one child younger than primary school age will work 2.3 days each week. For single mothers, the employment rate languished well below the OECD average at 57% per cent in 2019-20, the third lowest in the OECD after Malta and Turkey³³.

But the real impact on women's careers is due to the overwhelming likelihood that, after becoming parents, they will work part time: Over the past two years, Australian women aged 20-74 were three times more likely than men to be working part-time, and in the age bracket that aligns with childbearing (25 – 44), they were more than 2.5 times likely than men of the same age to be out of the labour force altogether. Even where these roles are at the same or a similar level to the full-time jobs they held before having children, their opportunities for advancement are significantly curtailed due to a work culture that sees part-time workers as less committed to their careers, or less capable of taking on higher responsibilities.

So, motherhood doesn't only result in years of unpaid work, and reduced hours of paid employment for women; it is also the primary reason for a lack of career advancement among professional women.³⁴ The result is that, just as women are entering the period of their careers in which management and senior roles become available, they are taken out of the running for such opportunities and relegated to the infamous "mummy track".

Critically, the unpaid care load has increased substantially for women throughout the pandemic. Unsurprisingly, women were twice as likely to undertake unpaid domestic work relative to men, especially as nationwide school closures were introduced. Research undertaken by the Australian Institute of Family Studies from May to December 2020 identified that 24% of mothers were likely to be dissatisfied with unpaid and paid working arrangements within the home, compared to 6% of fathers³⁵.

Australia's progress towards gender equality in the labour force has been largely curtailed by a stark gender disparity in unpaid labour, where women still undertake, on average, more than two hours of unpaid care work per day compared to men³⁶. By contrast, comparable OECD countries such as New Zealand, Canada, the United Kingdom and the United States boast a smaller gender gap in paid and unpaid work³⁷. Although the November *Financy Women's Index* has increased by 2% since September

³² KPMG (2019). She's Price(d)less: The economics of the gender pay gap. KPMG. <https://home.kpmg/au/en/home/insights/2019/08/gender-pay-gap-economics.html>.

³³ OECD (2020). *OECD.Stat: Incidence of FTPT employment - national definitions: share of part-time employment by gender*. Organisation for Economic Cooperation and Development. https://stats.oecd.org/Index.aspx?DataSetCode=FTPTN_I.

³⁴ Drange, N., & Rege, M. (2014). Trapped at home: The effect of mothers' temporary labor market exits on their subsequent work career. *Labour Economics*, 24 (2013), 125 – 136. <https://doi.org/10.1016/j.labeco.2013.08.003>.

³⁵ Baxter, J., & Hand, K. (2021). *Families in Australia Survey: Life during COVID-19*. Report no. 5: Sharing of housework in couple families in 2020. Australian Institute of Family Studies. <https://aifs.gov.au/publications/sharing-housework-couple-families-2020>.

³⁶ Craig, L., & Churchill, B. (2020). Dual-earner parent couples' work and care during COVID-19. *Feminist Frontiers*, 28(1), 66-79. DOI: 10.1111/gwao.12497.

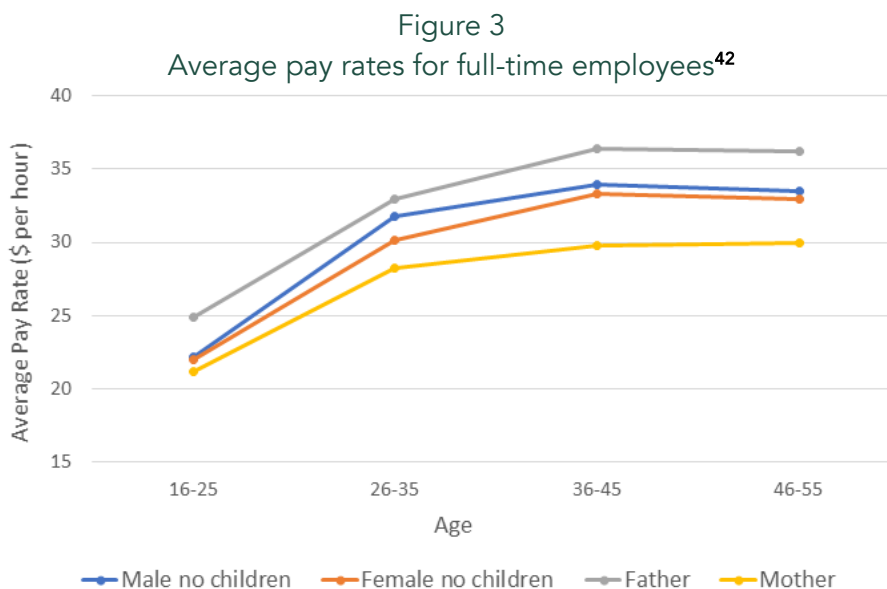
³⁷ OECD (2020). *OECD.Stat: Labour force participation rate, by sex and age group*. Organisation for Economic Cooperation and Development. <https://stats.oecd.org/index.aspx?queryid=54741#>.

2021, it harbours a cautionary tale for mothers: it is estimated that it will take 101 years to close the gender gap in unpaid work³⁸.

According to 2019-20 estimates from the ABS, the labour force participation rate for Australian mothers with children under six years of age is 65.5%, compared to 94.4% of men³⁹. Interestingly, four in five women will re-enter the labour force once their children begin to attend primary school, while men's labour force participation rates remain high at 92.4%⁴⁰.

Men in Australia are far less likely to reduce their working hours or experience career disruption due to the birth of their children. International research has demonstrated that becoming a parent has a diametrically opposed impact on the careers of men and women, with fathers enjoying an income "bonus", earning more than men and women without children, and mothers suffering a penalty, earning less than all other workers.⁴¹

An analysis of HILDA data demonstrates that the same effect is true in Australia.



Source: Adapted from Waves 1-17 of HILDA data

The WGEA has estimated that raising children accounts for a 17% loss in lifetime earnings for Australian women⁴³. The need to fit working hours around the care of children – and later, of other adult family members – often lock women into working in low-paid, casualised jobs in feminised industries with comparably poor conditions.

³⁸ Financy (2020). *Financy Women's Index: Young women left behind in progress to equality*. Financy. Accessed 19 November 2021. <https://financy.com.au/young-women-left-behind-in-progress-to-equality/>.

³⁹ ABS (2020). *Gender Indicators, Australia, December 2020*. Cat. ABS 4125.0. Australian Bureau of Statistics. <https://www.abs.gov.au/statistics/people/people-and-communities/gender-indicators-australia/2020#economic-security>.

⁴⁰ Ibid.

⁴¹ Budig, M. (2014). *The fatherhood bonus and the motherhood penalty: parenthood and the gender gap in pay*. Accessed 19 November 2021. <https://www.thirdway.org/report/the-fatherhood-bonus-and-the-motherhood-penalty-parenthood-and-the-gender-gap-in-pay>.

⁴² Wilkins et al (2019). Wilkins, R., Laß, I., Butterworth, P. and Vera-Toscano, E. *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 17*. Melbourne Institute: Applied Economic & Social Research, University of Melbourne. <https://melbourneinstitute.unimelb.edu.au/HILDA-Statistical-Report-2019.pdf>.

⁴³ WGEA (2018). *Insight paper: towards gender-balanced parental leave*. Workplace Gender Equality Agency. <https://www.wgea.gov.au/sites/default/files/documents/Parental-leave-and-gender-equality.pdf>

There is a school of thought that holds that the loss of lifetime earnings caused by part-time work is not something society should be concerned about, because women make the choice to sacrifice their careers to be with their children.

This ignores the obvious fact that women don't make such choices in a vacuum: someone must care for children, and the cost of outsourcing this work is often beyond the reach of low and middle-income women. As we shall see in the next chapter, there is an enormous amount of unpaid caring and domestic labour required to raise a family and run a household, and this labour almost always, in heterosexual relationships, falls disproportionately to women.

The intersection of a number of factors – part-time hours, low-paid jobs in industries dominated by women, the disproportionate responsibility for unpaid care – is poorly understood in relation to its cumulative impact on women's lifetime earnings, financial security and physical and mental health. Per Capita will examine these issues, which relate to the undervaluing of "women's work", more extensively in an upcoming research report.

For the purposes of our examination here of paid employment, however, suffice it to say that the motherhood penalty is arguably the single largest contributing factor to the gender pay gap in Australia, and it affects women regardless of their differing levels of workforce participation and income.

Until we fundamentally rethink the structural organisation of work in our culture, this is unlikely to change.

Male-centric structural organisation of work

"The structural organization of work has proved more inflexible than women's ovaries."⁴⁴

The above quote is taken from an article discussing the relatively recent phenomenon of professional women in the US electing to freeze their eggs in order to avoid interrupting their careers just as they were taking off. For the fact is, women's fertile years haven't changed, and can't change: as we are all-too-regularly reminded, a woman's fertility generally begins to decline in her mid-to-late thirties, which is, coincidentally, around the time that workers in professional roles can expect to see their careers advance.

Our professional workplace structures in Australia, even more so than in many comparable countries, remain rigidly aligned with the male breadwinner model. Government policies – particularly our Parental Leave Pay schemes – have been crafted in tandem with this model.

The federal government invests \$2.4 billion in paid parental leave, amounting to less than half of the OECD average with respect to comparable policies⁴⁵. As such, the government currently offers 18 weeks of Parental Leave Pay at the minimum wage for primary carers, which can supplement any employer-provided scheme⁴⁶. The government also provides two weeks of paternal leave at the minimum wage for secondary carers, which cannot be used alongside paid leave from their employer. In 2019-20, there was a stark gender divide in primary parental leave arrangements: in the private sector in 2018 and 2019, 93.5%

⁴⁴ Rene Almeling, Joanna Radin and Sarah S. Richardson, Egg-freezing a better deal for companies than for women, CNN, 2014

⁴⁵ DSS (2021). *DSS Annual Report 2019-20*. Department of Social Services. https://www.dss.gov.au/sites/default/files/documents/06_2021/annual-reportdownloaded-dss-website-link-transparency-portal-added-1-june2021.pdf

⁴⁶ ABS (2020). *Gender Indicators, Australia, December 2020. Cat. ABS 4125.0*. Australian Bureau of Statistics. <https://www.abs.gov.au/statistics/people/people-and-communities/gender-indicators-australia/2020>.

of primary parental leave was taken by women, compared to 96.1% of men⁴⁷. It is equally striking to note that Australia has both a higher rate of part-time work among women, and a lower rate of children aged 0 – 2 in formal childcare, than the OECD average⁴⁸.

It is clear that most jobs are structured in a way that assumes the incumbent has few responsibilities at home or outside the workplace, and that someone else, traditionally known as a “wife”, is taking care of the raising of the children, buying of the food, cooking of the meals, cleaning of the clothes and keeping of the home.

While married and partnered women have entered the paid labour force in great numbers over recent decades, to now be almost half of all paid workers in the Australian economy, our workplace structures have failed to adapt to the obvious correlation that, with both partners in the labour force, neither has a full-time wife at home. This situation was the subject of Annabel Crabb’s 2015 book *The Wife Drought* and has since become the subject of furious agreement amongst working women in Australia.

Prior to the COVID-19 pandemic, there was little mention of ‘flexible’ or ‘remote’ workplace practices to account for women’s complex paid and unpaid working arrangements. However, shortly after the government issued stay-at-home orders, Australia saw a gradual decline in employees attending their usual workplaces. At the height of Australia’s first wave, fewer than 50% of workers commuted to work⁴⁹. Following the resurgence of the virus in Victoria in the second half of 2020, many Victorian workers continued to work from home until Stage 4 lockdown restrictions were eased in early November. Prior to the pandemic, 12% of Australians largely worked from home, compared to just over 30% in September 2020⁵⁰.

There are some conflicting findings with respect to the effectiveness of flexible working arrangements: while some mothers were heavily burdened with work-family conflict after bearing the brunt of paid work and domestic duties, others indicated they wanted to continue to work from home long after the pandemic. Interestingly, four in five employees surveyed saw marked improvements in their productivity and engagement while working remotely. This enthusiasm for remote working practices has seen most Australians expect their employers to embrace flexible working arrangements in the future, where the majority expect to work at least one day from home each week⁵¹.

In light of this ‘new normal’, the WGEA’s 2020 Gender Equality Scorecard reported that over three in four employers have now implemented policies to support encourage flexible working practices⁵². It appears that working from home has gained considerable attraction for its promise of work-life balance for working parents, and may also provide men with additional opportunities to spend time with their children during work hours.

⁴⁷ Foley, M., & Williamson, S. (2021). Women, work and industrial relations in Australia 2020. *Journal of Industrial Relations*, 63(3), 321-337. <https://doi.org/10.1177/0022185621996407>.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² WGEA (2020). *Australia’s Gender Equality Scorecard*. Workplace Gender Equality Agency. <https://www.wgea.gov.au/publications/australias-gender-equality-scorecard>.

Work in underpaid feminised industries

It is obvious, then, that professional women who begin their careers with the expectation of earning as much as their male colleagues suffer a significant lifetime pay gap due to the responsibilities of caring for children and undertaking a disproportionate share of unpaid labour.

However, the real impact of the gender pay gap is not felt amongst the wealthiest members of our professional class. Rather, it is women at the lower end of the income scale who suffer real poverty and disadvantage as a result of reduced lifetime earning capacity due to factors related to their gender.

The adult full-time average hourly ordinary time cash earnings for non-managerial women are 11.4% less than for non-managerial men.⁵³ Cash earnings statistics are produced for employees on an hourly rate, rather than a salary not linked to hours worked. They therefore reflect the incomes of women less likely to be working in professional, salaried roles and more likely to be working in positions in retail, hospitality and other highly feminised industries.

The nature of work in Australia is highly segregated along gender lines. Australia has historically had a high rate of occupational gender segregation by OECD standards: in the 1980s, we had the most segregated labour force on gender lines of any OECD nation, and the segregation rate today remains relatively high.⁵⁴ The latest data from the WGEA demonstrates that "...the majority of Australian employees continue to work in industries dominated by one gender. Only 46.5% of employed Australians work in gender mixed organisations."⁵⁵

This has a significant impact on the gender pay gap, because professions in which the workforce is dominated by women are significantly underpaid. The WGEA data conclusively shows that people working in industries with a predominantly female workforce have lower salaries than those working in male-dominated industries.

Table 2
Employment by gender and occupation for employees aged 20-74

	Males	Females
Managers	61.4	38.6
Professionals	44.7	55.3
Technicians and trades workers	83.8	16.2
Community and personal service workers	29.7	70.3
Clerical and administrative workers	27.3	72.7
Sales workers	41.9	58.1
Machinery operators and drivers	89.3	10.7
Labourers	65.5	34.5

Source: ABS 2019-20 data

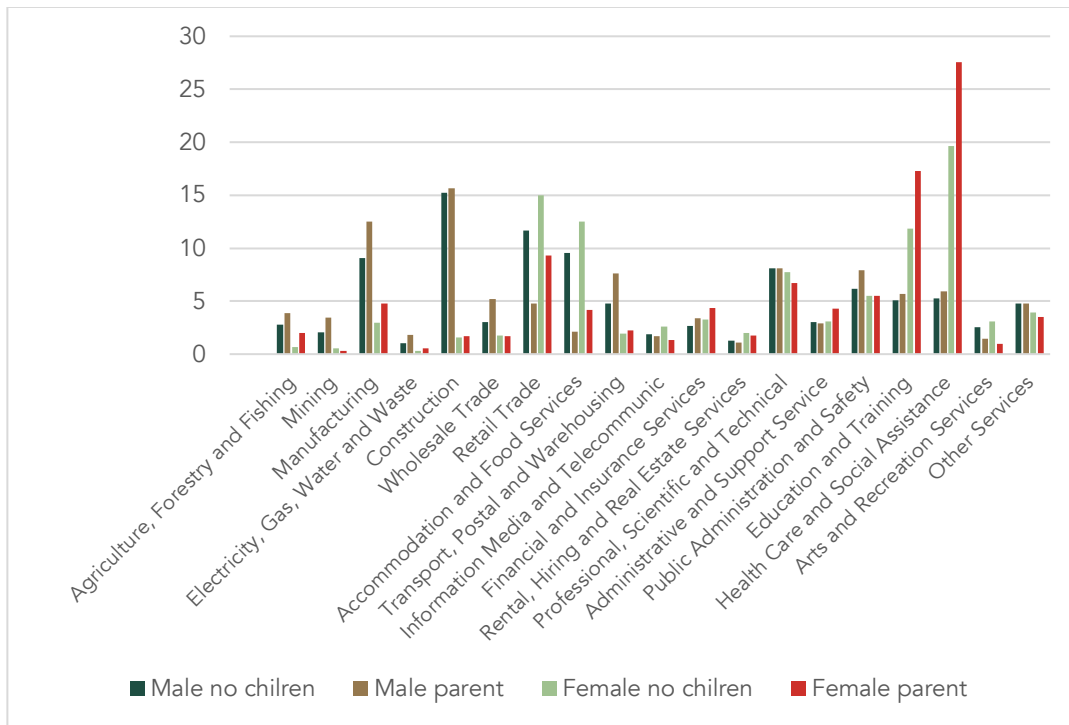
In particular, jobs that involve caring for others are exceptionally gender segregated: both education and training, and health care and social assistance, the sectors in which caring jobs are categorised, are heavily dominated by female workers.

⁵³ <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6306.0>

⁵⁴ <https://ro.uow.edu.au/cgi/viewcontent.cgi?article=3039&context=artspapers>

⁵⁵ <https://www.wgea.gov.au/data/fact-sheets/gender-segregation-in-australias-workforce>

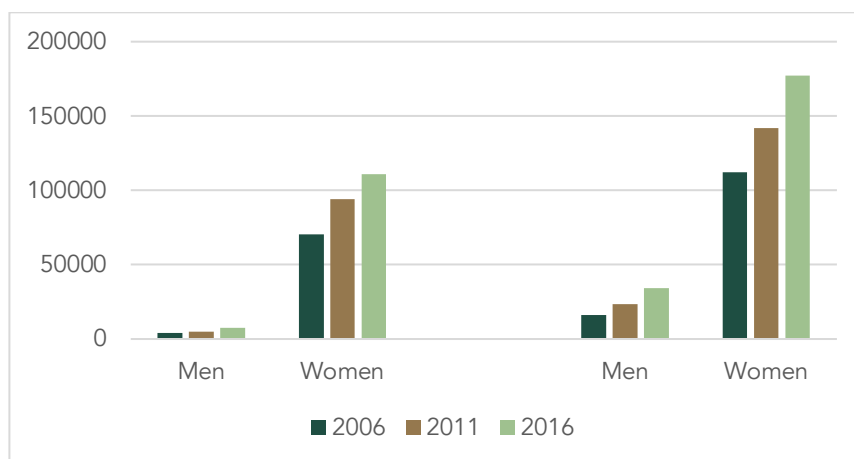
Figure 4
Occupations by gender and parental status



Apart from school and higher education and nursing, these jobs that involve caring for others – childcare, aged care, disability care – pay qualified workers amongst the lowest salaries in our society.

These low-paid caring professions are overwhelmingly dominated by female workers: 96% of childcare workers are women,⁵⁶ as are 87% of direct care workers in the residential aged care sector.⁵⁷

Figure 5
Number of childcare (left) and aged care (right) workers by gender



Source: 2016 Census data, Australian Bureau of Statistics.

⁵⁶ Mirage (2019). *International Women’s Day: low pay fuelling retirement anxiety for early childhood*. Mirage. <https://www.miragenews.com/international-women-s-day-low-pay-fuelling-retirement-anxiety-for-early-childhood/>.

⁵⁷ Department of Health (2017). *Aged care: NACWCS Final Report*. Commonwealth Department of Health. https://agedcare.health.gov.au/sites/default/files/documents/03_2017/nacwcs_final_report_290317.pdf?acsf_files_redirect

It is notable that a larger percentage of men work in disability care – nonetheless, this workforce remains female dominated, with 70% of disability support workers being women.⁵⁸

So how does the gender pay gap manifest in lower-paid industries in Australia?

Women receive lower award wages than men

While internationally the gender pay gap is often as high or higher among low-income workers as it is among higher income workers, in Australia the reverse is true. The gender pay gap amongst Australian workers on lower incomes is significantly smaller than it is among higher-income workers.

This is because of Australia's relatively high minimum wages,⁵⁹ which are set at various rates according to specific roles within different industrial sectors under the award system of wage setting.

Barbara Broadway and Roger Wilkins from the Melbourne Institute of Applied Economic & Social Research at the University of Melbourne released a study in December 2017 that examined the effect of Australia's award wage system on the gender pay gap.⁶⁰

Broadway and Wilkins found that the gender pay gap amongst award wage earners was only 10%, compared to 19% amongst workers outside the award wage system.⁶¹

They further found that women are more likely to be paid an award rate than men – 18.5% of women compared with 12.4% of men - and conclude that "[t]his suggests that the award wage system functions as a safety net that prevents women's wages from falling even further behind those of men".⁶²

The award wage system, then, can be seen to be reducing the aggregate gender pay gap in Australia, and helping Australia to avoid the situation that occurs in the US, where low paid women experience a significant gender pay gap.⁶³ This is largely because the nature of the award system ensures that men and women performing the same task under the same award are paid an identical rate of pay.

Why, then, does the gender pay gap persist amongst workers within the Australian award wage system?

Broadway and Wilkins found that the gender pay gap within the award wage system was "...unrelated to differences in education and experience";⁶⁴ rather, it is almost entirely due to the comparative undervaluing of "typically female" work:

*...it appears that there is indeed a strong penalty associated with working in an industry that is typically female. This penalty is found for male and female employees alike, and suggests that the award system sets systematically lower minimums the more heavily an industry employs women.*⁶⁵

⁵⁸ National Disability Services (2018). *Australian Disability Workforce Report*. National Disability Services. https://www.nds.org.au/images/workforce/ADWR_Third_Edition_July_2018.pdf

⁵⁹ <https://wol.iza.org/articles/wage-compression-and-gender-pay-gap/long>

⁶⁰ Broadway, Barbara and Wilkins, Roger, [Probing the Effects of the Australian System of Minimum Wages on the Gender Wage Gap](#), Working Paper No. 31/17, Melbourne Institute of Applied Economic & Social Research, Melbourne, December 2017

⁶¹ Ibid, P 12.

⁶² Ibid, P 13

⁶³ <https://iwpr.org/wp-content/uploads/2018/09/C473.pdf>

⁶⁴ Ibid P 14

This important research proved that, not only are women in Australia more likely than men to be in a job that is award-reliant, but that such award-wage female workers are "...considerably better educated than the award-reliant male population, and more likely to have had median work experience of 5 to 20 years as opposed to very low work experience of 5 years or less."⁶⁶

That is, women on the award wage in Australia are more highly qualified and experienced than men in similar employment circumstances, but they are paid less, and the only identifiable reason for this is that they are paid to do work typically done by women.

In short, our society doesn't value what it sees as "women's work" anywhere near as much as it does men's.

⁶⁵ Ibid, P 22

⁶⁶ Ibid, page 13

Intersectional elements of workplace gender equality

If women live with a disability, they are further disadvantaged

Australian women of all abilities, then, are employed in an economic system that forces them into part-time roles, fails to compensate for the interruptions to their careers, and generally undervalues their contributions. But for women with disabilities, the problem is even more acute.

Around one in five women in Australia lives with a disability. They are less likely to be in paid work than are men with disabilities: while the unemployment rate of men with disabilities has decreased over the last 20 years, the rate amongst women has remained stable, at around 8.5%. Even in the public sector, which has formal targets for employing people with disabilities, there are around 25% more men with disabilities employed than women.

Research from Women With Disabilities Australia (WWDA) shows that:

Women with disabilities are less likely than their male counterparts to receive adequate vocational rehabilitation or gain entry to labour market programs. They earn less than disabled men, are in the lowest income earning bracket, yet pay the highest level of their gross income on housing, and spend a greater proportion of their income on medical care and health related expenses. When women with disabilities work, they often experience unequal hiring and promotion standards, unequal access to training and retraining, unequal access to credit and other productive resources, unequal pay for equal work and occupational segregation, and they rarely participate in economic decision-making.⁶⁷

First Nations women experience unique, complex challenges

The Government's annual *Closing The Gap* report acknowledges that "the employment rate for Indigenous Australians has not improved over the past decade".⁶⁸

The National Aboriginal and Torres Strait Islander Social Survey, last conducted in 2014 – 2015, found that:

...less than three in ten (28%) Aboriginal and Torres Strait Islander people aged 15 years and over were working full-time, and a further 18% were working part-time. Males were more than twice as likely as females to be working full-time (38% compared with 18%), and were less likely to be working part-time (14% compared with 23%).

In non-remote areas, almost three-quarters (74%) of employed males were working full-time, compared with around two-thirds (68%) of those in remote areas. Among employed females, those living in remote areas were more likely to be working full-time than their counterparts in non-remote areas (52% compared with 43%).⁶⁹

⁶⁷ <http://wwda.org.au/about/snapshot/>

⁶⁸ <https://ctgreport.niaa.gov.au/>

⁶⁹ abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4714.0~2014-15~Main%20Features~Labour%20force%20characteristics~6

As Dr Zoe Staines from the School of Social Science at the University of Queensland noted recently, Indigenous women in remote communities are particularly at risk from the federal government's employment program, the Community Development Program.⁷⁰

A Senate Inquiry into the CDP in 2017, found that 44% of participants in this much-criticised program are women⁷¹. As Dr Staines reported:

According to a recent evaluation report, CDP activities are not always suitable for women; the government-commissioned report stated, "...young women were intimidated by a gender imbalance in the activity or 'unsafe' or 'culturally inappropriate' workspaces for women at the CDP." For instance, it is culturally inappropriate for some young women to be in the vicinity of men, particularly where this includes men from beyond their families and/or when there is a background of familial conflict. Of a survey sample of 314 CDP participants, women were less likely than men to say they felt 'good' in CDP activities (26% versus 39%, respectively). However, the choice not to attend can result in penalties and lost income.⁷²

Not only are Indigenous women amongst the most at-risk groups for unemployment in the country, but the government program ostensibly designed to help them find work is actively causing them harm. Findings from the 2020 Gari Yala (Speak the Truth) report echo these sentiments: a mere 40% of Indigenous women strongly disagreed that they were provided with adequate support upon experiencing racism or other forms of harassment⁷³. Further, 60% of those surveyed lamented the 'cultural load' they carry in their workplaces when educating others to cultivate a culturally sensitive workplace environment, while 70% felt that they work in "inauthentic organisations"⁷⁴ that refuse to treat Aboriginals and Torres Strait Islanders and their non-Aboriginal counterparts equally.

Women experience discrimination and sexual harassment in the workplace

Some of the earliest reforms made by gender equality advocates in Australia and the world were in reducing workplace discrimination and sexual harassment. Becoming a signatory to CEDAW committed nation states to enacting local laws to eliminate sexual harassment and workplace discrimination in a domestic environment. Australia fulfilled its obligations by legislating the Sex Discrimination Act 1984 (the SDA), which created civil remedies for individuals experiencing sexual harassment at work, either directly or indirectly.

Australia has prohibited sexual harassment in the workplace since the enactment of the SDA, empowering the Sex Discrimination Commissioner to report on sex-based complaints through the Australian Human Rights Commission's annual report to parliament. Data on complaint and conciliation processes initiated under the SDA is kept by the AHRC and reported on annually via a Complaints Statistical Report.

The 2019-2020 AHRC Statistical Report provides a five-yearly snapshot of the number of complaints received under the SDA. After a marked rise in complaints under the SDA between 2015 and 2018, there appears to be a slight downward trend in the years since.

⁷⁰ Staines, Zoe, [Caught up in CDP's punitive web: what remote women have to win \(or lose\)](#), in Power to Persuade, 18 May 2019.

⁷¹ https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/CDP/Report

⁷² Staines, Op Cit

⁷³ WGEA (2021). *Gari Yala (Speak the Truth): Gendered Insights*. Workplace Gender Equality Agency. <https://www.wgea.gov.au/publications/gari-yala-speak-the-truth-gendered-insights>.

⁷⁴ Ibid.

Table 3
Complaints received by AHRC under the SDA over the last five years

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
409	465	552	520	479

Source: Australian Human Rights Commission 2019-20 Complaint Statistics

Of the 479 complaints lodged in the 2019-28 period, 21% or 101 of them involved the grounds of sexual harassment and 76% of them were made by women⁷⁵. 48% of these sexual harassment complaints were successfully conciliated or otherwise resolved⁷⁶. However, the report offers limited insight with regard to cases that were not resolved were taken further for review in formal legal proceedings. Based on Australian Research Council project into sexual harassment, conducted by Professors Sara Charlesworth and Paula McDonald, the numbers of matters proceeding to court are low, with only 41 court cases of sexual harassment between 2009 and 2015.⁷⁷

In addition to annualised data on litigated matters, the Sex Discrimination Commissioner conducts a national survey investigating the prevalence, nature and reporting of sexual harassment in Australian workplace. There have been four National Surveys on Sexual Harassment in Australian Workplaces since 2003, with the latest conducted in 2018.⁷⁸ The surveys examine both lifetime experiences of sexual harassment as well as prevalence in the preceding five years.

The results of the 2018 survey revealed alarming statistics on the prevalence of sexual harassment in Australia, where 71% of respondents alleged they had been sexually harassed in their lifetime⁷⁹. A gendered breakdown of the forms of sexual harassment experienced has been provided in the table below.

Table 4
Forms of workplace sexual harassment experienced by men and women

Form of sexual harassment	Experience by % of women	Experience by % of men
Offensive and sexually suggestive jokes	59%	26%
Inappropriate physical contact	54%	23%
Unwelcome touching, hugging, cornering or kissing	51	21%

Source: 2018 National Survey on Sexual Harassment in Australian Workplaces

Sexual harassment is also revealed to be significantly more problematic for women with other intersecting attributes of difference and diversity. Over the last five years, 83% of gay and lesbian people and 90% of people identifying as bisexual were likely to have experienced sexual harassment, as were 89% of people who reported a non-binary gender identification. 89% of women with a disability⁸⁰ and 53% of Aboriginal and Torres Strait Islander people were more likely to have experienced workplace sexual harassment – on

⁷⁵ AHRC (2020). *Australian Human Rights Commission 2019-20 Complainant Statistics*. Australian Human Rights Commission. https://humanrights.gov.au/sites/default/files/2020-10/AHRC_AR_2019-20_Complaint_Stats_FINAL.pdf.

⁷⁶ Ibid.

⁷⁷ Alcorn, G. (2017). 'Perverse outcomes': How Australia is failing sexual harassment victims. *The Guardian*.

<https://www.theguardian.com/world/2017/oct/18/kate-jenkins-on-how-australia-is-failing-sexual-harassment-victims>.

⁷⁸ AHRC (2018). *Everyone's business: fourth national survey on sexual harassment in Australian Workplaces*. Australian Human Rights Commission. https://www.humanrights.gov.au/sites/default/files/document/publication/AHRC_WORKPLACE_SH_2018.pdf.

⁷⁹ Ibid.

⁸⁰ Ibid.

average, these two marginalised groups were more than twice as likely to be sexually harassed compared to their non-Aboriginal, able-bodied counterparts at 32%.⁸¹

Across the whole population, the rates of sexual harassment of men and women over the last five years were 39% for women and 26% for men.⁸² The survey also found that 79% of all perpetrators are men.

Despite these high levels of prevalence there is relatively low rate of complaint by victim-survivors – only 17%. This low level of reporting is likely connected to another important statistic revealed in the report – that almost half (45%) of formal complaints resulted in no changes or consequences for the perpetrator.⁸³

⁸¹ Ibid.

⁸² Ibid.

⁸³ Ibid.

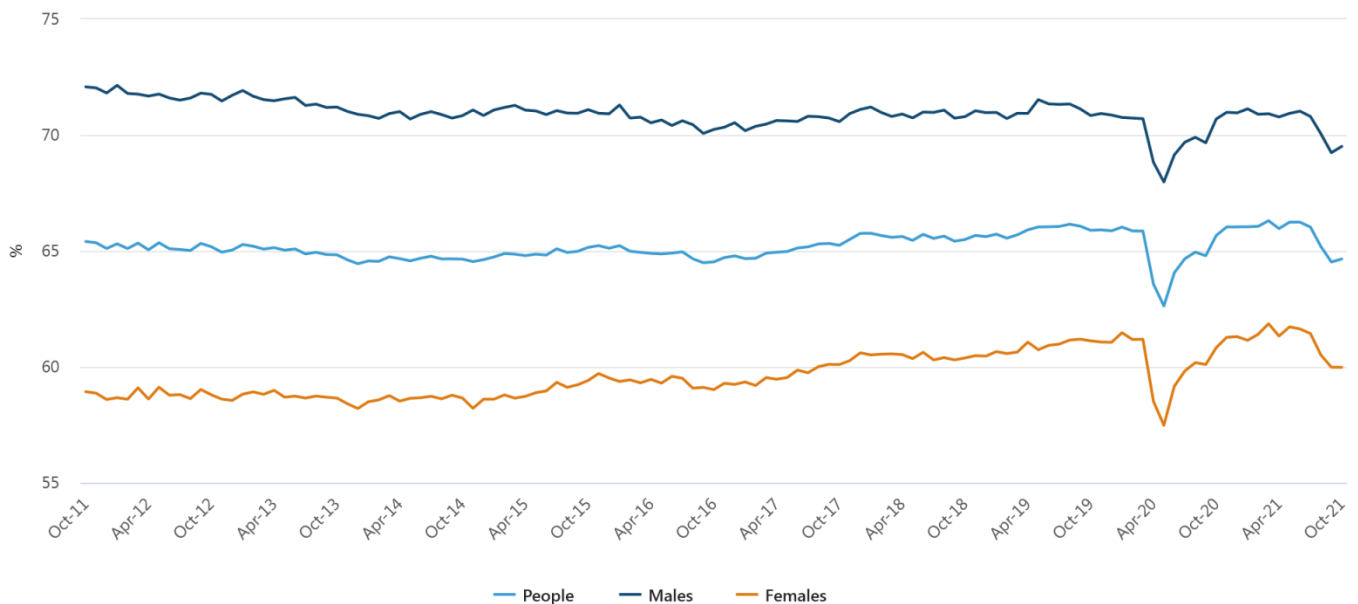
The impact of COVID-19 on women’s workforce participation

Given the higher likelihood that women work in part-time, customer-facing and low-paid jobs, there is little wonder that women have borne much of the economic havoc wrought by the COVID-19 pandemic. Indeed, the unprecedented scale of COVID-19 and the severity of lockdown restrictions and economic shutdown measures have culminated in a ‘pink-collar’ recession that laid bare the highly gendered nature of Australia’s workforce.

Women are most likely to work in industries and occupations that rely on face-to-face interactions with customers, and so they were particularly vulnerable to economic downturns and public health restrictions. Some of these industries - namely hospitality (56% women), education and training (71.6%) and care (77.4%) - are dominated by casual workers, who were most likely to lose their jobs when the pandemic hit; casual jobs accounted for two-thirds of the fall in total employment from 13 million to 12.2 million between February and May 2020⁸⁴. It is worth noting that young women aged 15 to 34 comprised the greatest share of Australia’s casual employees at 36.3% in 2019-20, and so they proved to be most vulnerable to economic downturn due to ongoing lockdowns, particularly in Victoria and New South Wales⁸⁵.

Furthermore, part-time workers – the majority of whom are women – were also far more likely to lose hours throughout the COVID-19 recession than their full-time counterparts. By the time Australia entered Stage 3 lockdown towards the end of March, part-time employees worked 20% fewer hours relative to January 2020 compared to full-time employees, whose working hours decreased by less than 10%⁸⁶.

Figure 6
Labour force participation rates, seasonally adjusted



Source: Australian Bureau of Statistics, Labour Force, October 2021

⁸⁴ Australian Bureau of Statistics (2020). *Casuals hit hardest by job losses in 2020 – Media release*. Accessed 19 Nov 2021.

<https://www.abs.gov.au/media-centre/media-releases/casuals-hardest-hit-job-losses-2020>.

⁸⁵ Ibid.

⁸⁶ Australian Bureau of Statistics (2021). *Insights into hours worked, October 2021*. Accessed 19 Nov 2021.

<https://www.abs.gov.au/articles/insights-hours-worked-october-2021>.

Crucially, there was a steeper initial decline in women’s labour force participation rates as stay-at-home orders were introduced in early 2020 to combat the spread of COVID-19. This decline in labour force participation was preceded by a three-tiered economic blow for women: they were more likely to take on a greater share of unpaid care work, more likely to fall into unemployment and less likely to receive government support when they needed it most. In particular, casual workers were ineligible for the Morrison government’s JobKeeper wage subsidy, which was later revealed to disproportionately benefit men who comprised 53% of its recipients⁸⁷.

Table 4
Impact of COVID-19 on women’s employment and labour force participation rates

	Men			Women		
	Feb 2020	Aug 2020	Oct 2021	Feb 2020	Aug 2020	Oct 2021
Employed total Seasonally adjusted data	6,832,985	6,653,481	6,780,600	6,162,400	5,973,000	6,054,500
Labour force total Seasonally adjusted data	7,217,047	7,148,917	7,140,200	6,481,500	6,392,700	6,402,300
Participation rate	70.7%	69.9%	69.5%	61.2%	60.2%	60.0%

Source: Australian Bureau of Statistics, Labour Force, October 2021

More broadly, the ABS’s October figures above suggest that men’s and women’s labour force totals are gradually returning to their pre-pandemic levels. However, these figures also demonstrate that women were more likely to leave the labour force at the start of the pandemic: 88,800 women left the labour force at the onset of COVID-19 restrictions at the end of February, compared to 68,130 men⁸⁸.

Although the majority of jobs will return to the market, it is clear that COVID-19 poses an ongoing threat to women’s employment recovery and thus their economic security. The slower the recovery, the more likely many women, and particularly those from vulnerable groups, will continue to suffer from long-term ‘scarring’ effects on their employment prospects. This is a particularly concerning reality for industries that rely on international travel with a majority of female employees – such as tourism and higher education – as Australia’s borders have only recently re-opened, and the outlook for the return of international tourists and students is still uncertain.

⁸⁷ Treasury (2020). *Insights from the first six months of JobKeeper*. Commonwealth Treasury. https://treasury.gov.au/sites/default/files/2021-10/p2021-211978_0.docx.

⁸⁸ OECD (2020). *Earnings and wages – gender wage gap*. Organisation for Economic Cooperation and Development. <https://data.oecd.org/earnwage/gender-wage-gap.htm>.

Conclusion

Since the establishment of the Workplace Gender Equality Agency, measurement and tracking of the gender pay gap has improved considerably in Australia. The WGEA database and frequent reporting provide a highly detailed lens on several key elements of gender disparities in the world of work.

However, under the current scope of the Workplace Gender Equality Act, the WGEA does not pay sufficient attention to other metrics of gender equality in the workplace beyond rates of pay and the factors that directly and observably influence the gender pay gap between like-for-like, full time male and female workers.

The limitations on the WGEA's remit under the Act mean that it is unable to reflect the complex intersectional lifetime causes of income inequality for the majority of Australian women.

It is imperative that the Act be amended to increase the scope of the WGEA's activities, and to allow it to work independently, and in partnership with other key government agencies such as the Australian Bureau of Statistics, to more accurately capture the complex causes and effects of gender inequality in Australian workplaces.

Recommendations

- Recommendation 1:** Employers should be compelled to report both *Average Weekly Ordinary Time Earnings (AWOTE)* and *Adult Weekly (total cash) Earnings (AWE)* for their businesses, and to report the hours of part time and casual workers by gender.
- Recommendation 2:** That the size at which private sector organisations must report to the WGEA should be reduced from 100 to 50, in line with the ASIC definition of a large company.⁸⁹
- Recommendation 3:** That all federal, state, territory and local government employers should be required to report to the WGEA.
- Recommendation 4:** That the WGEA work with the ABS to develop methodologies to measure the earnings gap in contract, sole trader and gig economy work.
- Recommendation 5:** That the age of workers be included in the data collected.
- Recommendation 6:** That non-binary gender data be recorded, with the agreement of employees, consistent with ABS Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variables.
- Recommendation 7:** That data on the number of workers from CALD backgrounds, ATSI peoples and people with disabilities should be recorded with the agreement of employees.
- Recommendation 8:** That employers provide details of paid parental leave, both in terms of that made available and that taken up by men and women.

⁸⁹ <https://asic.gov.au/regulatory-resources/financial-reporting-and-audit/preparers-of-financial-reports/are-you-a-large-or-small-proprietary-company/>