

# Pay Equity and Women in the Workplace

## Office of Women's Policy – Presentation to OWOL Conference August 2010

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Why has the Office of Women's Policy undertaken this research into Pay Equity in the Northern Territory? Pay Equity is a gendered issue. Women's long term economic security is impacted on by the income a woman earns over a lifetime. When the jobs that women do are under rated, under valued and all the knowledge, skills and expertise required to undertake the job are inadequately assessed, not acknowledged nor recognised pay inequity is the result.

### Key Points in the presentation;

- Factors contributing to the gender pay gap
- The Glass Metaphors – what are they are how do they occur? (Glass ceilings, glass escalators, glass elevators and the glass cliff)
- Women on Boards – the current state of play and what the ASX are doing about it.
- Vertical and horizontal segregation

### A Northern Territory Snapshot

The average weekly earnings (full-time, ordinary time earnings) for a Northern Territory male is \$1283.80 and a female is \$1084.50<sup>1</sup>, a difference of **\$199.30**. This equates to a pay gap in ordinary time earnings of **15.5%**.

When comparing total earnings from the same table, men earn \$1379.10 and women \$1103.10, a difference of **\$276** per week. This equates to a pay gap in total earnings of **21%**.

Pay gaps occur not only by occupation but also by method of determining pay. In unpublished data by the ABS, women's earnings by way of pay setting method are substantially less than their male counterparts. A woman on a registered or unregistered arrangement<sup>2</sup> earns 78% of a man's average weekly earnings on a registered or unregistered agreement.

### Employee Earnings by occupation group

The Office of Women's Policy engaged the Australian Bureau of Statistics to provide a breakdown of the Employee Earnings and Hours survey (cat no 6306) for Northern Territory men and women into occupation groups.

In this study, we used Australian and New Zealand Standard Classification of Occupations major, minor and sub-minor occupation groups to examine the pay gap in each occupation. Not every sub-major and minor occupation groups have been included in this study. Where the standard relative errors were greater than 25%, the data was excluded. Occupation groups with no data recorded were also been excluded in the report.

In all of ANZSCO's eight major occupation groups, Managers, Professionals, Technicians and trades workers, Community and Personal service workers, Clerical and Administrative workers, Sales workers, Machinery operators and Drivers and Labourers, a pay gap existed between men and women. Interestingly, employees in the management group only recorded an average weekly

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<sup>1</sup> : Australian Bureau of Statistics, Average Weekly Earnings, Table 12G, February 2010 (Cat No 6302.0)

<sup>2</sup> Those in the Individual arrangement category include employees who had the main part of their pay set by an individual contract, registered individual agreement (e.g. Australian Workplace Agreement), common law contract, or an agreement to receive overaward payments. Working proprietors of incorporated businesses are also included within the individual arrangement category.

earnings pay gap of \$3.10<sup>3</sup>. Other occupation groups had a more significant pay gap, ranging from \$134.10 per week for clerical and administrative workers to \$439.80 for technicians and trades workers, while professionals had a significant pay gap of \$248.90 per week.

The biggest gap in sub-major occupation groups is in the Electro technology and telecommunication worker group with a staggering 51% pay gap between men and women's earnings. More prominent however is the pay gap of between 75% and 90% in traditionally female dominated industries, such as health professionals, carers and aides and legal, social and welfare professionals.

Male dominated industries continue to dominate the most significant gender pay gaps in minor occupation groups. Electronics and telecommunication trades workers see a difference of average weekly earnings of \$784.40. Health therapy professionals see a \$624.30 difference per week, or \$32 463.60 per annum.

Women employed in male dominated industries can experience barriers upon commencement, such as contract negotiations, be a minority in bargaining and have their roles undervalued in the workplace.

### **Indigenous women and work**

The Aboriginal labour force participation and employment figures from the 2006 Census include people participating in the Community Development Employment Projects (CDEP) scheme. The CDEP scheme enables members of Aboriginal communities, particularly in remote and very remote areas, to exchange unemployment benefits for opportunities to undertake paid work and training in activities managed by a local Aboriginal community organisation.

### **Northern Territory Community Development Employment Projects:**

Analysis by the Northern Territory's Office of Women's Policy shows that prior to 2007 CDEP accounted for more than half of the Aboriginal employment in the Northern Territory, compared to only one fifth of employment for the Australian Aboriginal population.<sup>4</sup> According to Australia's combined 6th and 7th report to the United Nations on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women, July 2003 – July 2008, labour force participation on CDEP reduces unemployment levels in Aboriginal communities as program participants are classified as employed in national labour force statistics.<sup>5</sup>

The Northern Territory's Office of Women's Policy claims that many women in the Northern Territory, especially those living remotely, have extremely limited access to employment and career opportunities. For the majority of these Aboriginal women, the only source of employment is through the CDEP scheme.

### **Economic Security**

Persistent gender pay gaps have a significant impact on women and their economic security. This occurs during all stages of workforce participation, from when a woman enters the workforce, her time during employment including breaks in service due to caring responsibilities, and well into retirement.

### **Why do a gender pay equity audit? – The benefits to employers**

### **Next steps – Federal, state and territory and individual responses to pay equity.**

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<sup>3</sup> Excludes executive managers

<sup>4</sup> F:\NTFC Family and Individual Support Services\OWP New\Strategic Management\SocPol & Action Plans\BuildingOnOurStrengths\responses\Women's stuff- employment\_DEET 2.doc>

<sup>5</sup> CEDAW, p. 51.