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CHAPTER 4

Employment

While substantial progress has been made over the past 50 years, there remain considerable shortcomings and inequalities in many areas of employment. There are also major disparities between men and women and the ways in which they combine paid work with family care roles.

Despite some progress towards gender equality, there has been an increase in economic inequality overall, with a widening gap between the rich and the poor.[26] Across the OECD — and in Australia — women are more likely than men to be poor, especially as they grow older.[27] A key reason for this is that women and men have different patterns of labour force participation. Overall, fewer women than men participate in the labour force (made up of those who are either employed or looking for work), though the gap is narrowing. In February 1978, women's participation rate was just 43.5% while men's was 79.4%. In

November 2014, women's participation rate was 58.5% compared to 71% for men.[28]

Women are more likely than men to withdraw from the labour force or to move from full-time to part-time work to care for children or other family members[29]; and, as we have already seen, women typically work in different occupations and industries. Here we consider some of the factors that shape women's workforce participation, briefly review the progress that has been made, and consider the changes that are needed to foster women's equal opportunity and economic security.

Australia has high levels of workforce segregation: occupations and industries tend to be dominated by either men or women. Much of this segregation echoes the traditional division of labour between men and women, with women being concentrated in caring, helping and service professions. For example, according to the Workplace Gender Equality Agency (WGEA), 80.5% of workers in the health care and social assistance industry (which includes childcare workers, personal care workers and medical receptionists) are women, while 84.3% of workers in the mining industry are men. All-industry data shows that:

- Men are more likely than women to work *full-time* in 17 of the 19 industries, with male full-time workers most dominant in construction (86.1%) and mining (85.2%).

- Women only dominate the *full-time* workforce in health care and social assistance (70.6%) and education and training (54.9%).
- Men constitute the majority of *part-time* employees in only three industries — public administration and safety (67.4%), mining (67.3%), and transport, postal and warehousing (64.1%).
- Women make up the majority of *casual* employees in nine industries, and are most dominant in health care and social assistance (80.3%).[30]

Studies have shown that the undervaluation of 'women's work' relative to other, comparable work performed by men is a major contributor to the gap between men's and women's wages. This is because the kinds of work traditionally performed by women have tended to be undervalued on the assumption that the skills involved in 'women's work' are inferior to those involved in 'men's work'. For instance, because caring is seen to be women's 'natural' or normal role, it is viewed as unskilled and thus worth less than other forms of work.

In a recent, historic equal pay case, Fair Work Australia (now the Fair Work Commission) found that there was unequal remuneration in the social, community and disability services industry. The case also highlighted the connections between work that

has traditionally been done by women, lower wages and long-term financial insecurity for those who work in female-dominated industries.

The WGEA explains that:

> The gender pay gap represents the difference between women's and men's averaged earnings, expressed as a percentage of men's earnings.... The Agency calculates the national gender pay gap using Australian Bureau of Statistics' Average Weekly Earnings data.... The pay gap has consistently hovered between 15% and 18% for the past two decades.[31]

ABS data shows that the gender pay gap has widened further and stood at 18.2% in August 2014.[32] The WGEA reported an even wider gap for employers with 100 or more employees for the period 2013–14, with a gap of 19.9% between men's and women's base remuneration, and a gap of 24.7% between men's and women's total remuneration (including additional benefits like bonuses, allowances, and overtime).[33] In the year 2013–14:

- The largest total remuneration gaps between men and women were in financial and insurance services (36.1%); professional, scientific and technical services (27.9%); and the rental, hiring and real estate industry (25.6%).
- The smallest total remuneration gaps were in public administration and safety (9.1%),

education and training (9.6%) and wholesale trade (11.6%).[34]

The gender pay gap is attributed to a range of ongoing inequalities, including discrimination, women's and men's concentrations in different industries, the undervaluation of 'women's work', and women's ongoing responsibility for the bulk of family care.

Increasing numbers of women graduate from university, but many soon drop out of professions, such as law or architecture. Research highlights a range of factors associated with this attrition, including recruitment and pay negotiation practices, incompatibility between women's work and caring responsibilities (with insufficient workplace support) and the cultures of the industries and professions.

The influence of workplace cultures is of particular concern. In some ways, workplaces have become less 'care-friendly' in recent times, with the development of a long-hours culture where workers are expected to work longer and be available in the evenings and on weekends. This is especially problematic for women who still bear the main responsibility for child care. A recent survey showed that many Australian employers still think the 'ideal' employee is a man who has few commitments or interests outside work and can work long hours,[35] and many reports suggest that the 'boys' club' culture

is alive and well in many workplaces and industries. While sexual harassment is against the law, many women still report being sexually harassed at work.

Women are also dropping out of traditionally female professions such as nursing. Researchers have identified several possible explanations for this, including a mismatch between nurses' expectations of career advancement and the actual opportunities in that field. Funding and cost pressures have also been identified as factors that discourage investment in sustainable care workforces through family-friendly employment terms and conditions.

The shortage of affordable, high-quality child care still appears to constrain many women's choices about paid work, influencing decisions to take on part-time or casual rather than full-time work, or to stay out of the workforce altogether. Childcare costs often account for a considerable amount of household expenditure and this, in combination with income-tested government subsidies and high effective marginal tax rates, can mean that it makes more financial sense in the short term for women to work part-time (if at all) rather than full-time. These financial considerations, together with broader social and cultural norms about motherhood, shape women's decisions about how they will combine caring for their children with paid work. These decisions often have long term implications for women's economic security.

> 'I used to start work about nine in the morning, go down and make beds, clean rooms and things like that in hotels, and do waitressing work at lunchtime, come back at two or half-past two, get my own house in order, get tea and everything ready for him and the children for the evening, and then start again at half-past four or six o'clock to do waitressing work until about eleven or so at night.' — A 40-year-old woman, *Paying the Price for Sugar and Spice*, 1985[36]

Stops and starts

Many cultural, political and legal changes have contributed to women's increased participation in the labour force in recent decades. These legal and regulatory changes mean that girls and young women now have more choices about how they live. Less than fifty years ago — in 1966 — the ban on married women in the Commonwealth Public Service was lifted. Women are no longer expected to withdraw from the workforce when they get married, and most women do not permanently leave paid work once they have children. As we will show, much progress has been made, but it has been unsteady.

> 'I became engaged to be married, and in those days they wouldn't take married women on … In any public jobs, even like in banks, or anything like that, married women — once you got married — you were out!' — A 45-year-old woman, *Paying the Price for Sugar and Spice,* 1985[37]

Equal pay

In 1969, the ACTU won the Equal Pay Case for women, and the Commonwealth Conciliation and Arbitration Commission formulated the principle of 'equal pay for equal work', ruling that men and women employees must be paid the same wage for the same work in industries not dominated by women. Because gender segregation in the workforce was widespread, with most women working in female-dominated industries, this ruling only affected 18% of female employees.[38] Three years later, the Equal Pay case of 1972 recognised the broader principle of 'equal pay for work of equal value' and removed restrictions on applicable industries.

Australia reaffirmed its commitment to pay equity in 1974, when it became a signatory to the international *Equal Remuneration Convention 1951*, which calls for 'equal remuneration for men and women workers for work of equal value'. In the same year, the National Wage Case granted women the full adult minimum wage. The *Fair Work Act 2009*

confirms Australian women's right to 'equal remuneration for work of equal or comparable value'.

Trade unions have taken legal action in recent years to enforce this right, although these cases tend to be complex and costly. As noted earlier, Fair Work Australia found in 2011 that there was unequal remuneration in the social, community and disability services industry, mainly because of historical undervaluation of work in this female-dominated industry. In 2012, Fair Work Australia made an equal remuneration order requiring employers to increase wages to rectify this undervaluation.

> 'When you've got a low income you're more or less tied to the house and you can't go anywhere or do anything so you're more or less under the husband's thumb. He's got all the say if you don't have any income. It's all right for those with money; they can be as liberated as they want …' — A woman in *Giving Women Voice*, 1990[39]

Anti-discrimination and equal opportunities

In the 1980s there were a number of legislative reforms dealing with other aspects of discrimination and equal opportunity in the workplace and beyond. These included the introduction of the federal *Sex Discrimination Act 1984,* which made discrimination on the basis of sex, marital status or pregnancy illegal in the workplace and several other areas of public life,

and the *Affirmative Action (Equal Employment Opportunity for Women) Act 1986*, which required employers to promote equal opportunity for women.

These actions followed Australia's ratification of the international *Convention on the Elimination of All Forms of Discrimination Against Women* in 1983. There was also recognition of the specific challenges facing different groups of women (and men), with the introduction of the *Racial Discrimination Act 1975*, and the *Disability Discrimination Act 1992*, which made discrimination on the basis of race or disability unlawful in defined circumstances.

Despite these changes, discrimination against women (and other social groups) persists. As noted earlier, such discrimination has been found to be a major factor in the gap between men's and women's full-time earnings. A national review of the 'prevalence, nature and consequences' of discrimination on the basis of pregnancy in 2013–14 was prompted by concern over the large number of complaints received by the Australian Human Rights Commission and Fair Work Australia. The review found that half of all mothers surveyed reported experiencing workplace discrimination, and that pregnant women and working parents experienced multiple types of discrimination at work.[40]

Child care

The availability of childcare services is a key element of the social infrastructure for women's participation in paid work. In 1972, the Federal *Child Care Act* was introduced to provide federal involvement in and funding for childcare services. Since then there have been a number of changes to childcare funding and an increased understanding of the importance of early childhood education.

There are currently two main sources of subsidy to mitigate the costs of child care. The Child Care Benefit (CCB) is a means-tested benefit provided on a sliding scale according to income. Features include 24 hours per week of early childhood education and care (ECEC) which can be claimed without having to fulfil a work test. If the parents are working, training or studying for at least 15 hours per week (or 30 hours per fortnight), or have an exemption from this test, the benefit can apply to up to 50 hours of care per child per week. The Child Care Rebate (CCR) is a non–means tested rebate that subsidises 50% of the cost of care up to an annual ceiling of $7500. Even on the full level of benefit, both of these subsidies do not cover the full cost of care.

Recognising ongoing concerns about the affordability of quality early childhood services, in 2013 the Australian Government asked the Productivity Commission to undertake a public inquiry into

future options, with a focus on supporting workforce participation and addressing children's learning and development needs.

Many submissions to the inquiry highlighted the importance of affordable quality care services to facilitate women's workforce participation. Some submissions also pointed to the need for flexible arrangements, including care during non-standard hours (weekends or evenings) in recognition of the changed nature of work.

In its draft report in July 2014, the Commission recommended changes to the structure and funding of the ECEC system, including replacing the Child Care Benefit, Child Care Rebate and other payments with a single Early Care and Learning Subsidy (ECLS). Other recommendations included allowing families to use the ECLS for home-based care (including nannies), applying a new means test, and introducing an activity test for most subsidy recipients.

The Commission acknowledged that its proposed changes would be unlikely to bring about major improvements in women's paid work participation, but argued that improving access to ECEC would have other social and economic benefits. The Commission produced its final report in October 2014, with the government expected to respond in detail in early 2015.

Maternity and parental leave

In 1979, women's right to unpaid maternity leave was established. Thirty years later, the *Fair Work Act 2009* extended the maximum period of unpaid parental leave to 24 months. A national Paid Parental Leave (PPL) scheme was introduced in 2011 to enable most working women (or men) to access 18 weeks of paid leave following the birth or adoption of a baby. In 2013 Dad and Partner Pay was also introduced, which entitles many fathers or partners to two weeks of government-funded leave when they have a new child.

Australian government data show that mothers have been far more likely than fathers to take 18 weeks of paid parental leave since it became available[41] and many mothers take additional (often unpaid) leave after having a baby, or resign from their jobs to continue to care full-time for their children.[42]

Prior to his election in 2013, Prime Minister Tony Abbott committed to introducing a new PPL scheme, whereby primary carer parents would be paid their current wage (or the minimum wage, whichever is greater) for 26 weeks, capped at a salary of $150,000. Since then, the government has proposed several revisions to the scheme, including a reduced cap of $100,000. The Prime Minister announced in December 2014 that the government would further restructure its policy proposal in

response to 'community concern' about the generosity and cost of the scheme. In February 2015, Tony Abbott scrapped the PPL scheme, announcing that a 'families package' would replace it. This announcement may align with the Productivity Commission's recommendation that some of the funds earmarked for PPL should be used for ECEC.

'Work and family balance' or work–care collisions?

While substantial progress has been made over the past 50 years, considerable shortcomings and inequalities remain in many areas of employment. There are also major disparities between men and women in the ways in which they combine paid work with family care roles. As US economist Diane Perrons observes, 'there are no concrete walls or armed guards barring women's access to the labour market in the western world',[43] but very real barriers to economic security persist.

In Australia today, most heterosexual couple families with dependent children are dual-earner households (where both parents are employed), and over half of all sole mothers are in paid work.[44] However, women's greater participation in paid work has not been accompanied by a proportionate increase in men's participation in family care-giving. Women continue to be responsible for the majority of family care and domestic work, as we show later, and

these persistent gendered family roles, and a lack of family-friendly jobs, combine to keep women's options relatively narrow.

Part-time work

The persistence of these different roles for women and men means that the typical (heterosexual) family with children fits a 'modified breadwinner model' of the family, composed of a father who works full-time and is the main breadwinner, and a mother who works part-time or on a casual basis and is the main caregiver. This differs from the traditional 'male breadwinner' family — where the father worked full-time and the mother was a full-time caregiver — which underpinned policy development in Australia in the first part of the 20th century. However, fathers' typical roles have changed little — they continue to be the main, full-time worker in most families; and there are very few families where both the mother and the father work part-time.[45]

Women spend over twice as much time as men caring for their children each day and, not surprisingly, more women than men report feeling 'always or often rushed or pressed for time'. In the ten years from 1997 to 2006, the amount of time each week that Australian men spent caring for their children remained unchanged, while the time women spent caring actually increased.[46]

Women are more likely than men to take time out of paid work or to work part-time to care for their children, particularly when those children are young.[47] According to the most recent ABS data, women were spending 1.8 times as much time as men on household and domestic duties like cooking and housework in 2006.[48] Although there has been much less research about same-sex couple families, a recent Australian study has suggested that men and women in same-sex couples share domestic and household tasks and parenting roles more equally than opposite-sex couples. [49]

The unequal division of care work in many families also has implications for women's ability to earn a living through paid work. Some progress has been made, with employers increasingly willing to offer flexible arrangements to their workers. These include part-time work and other conditions, such as flexible start and finish times and job-sharing.

Australia's National Employment Standards were amended in 2010 to give parents with children under school age or older children with a disability the right to request flexible working arrangements. Some researchers suggest that flexible work rights are less useful for part-time or casual workers, who might be less likely to ask for flexibility than someone with a more secure, permanent job.

Moreover, the Workplace Gender Equality Agency reported that, in 2013–14, over half of employers did not have a flexible working arrangements policy, and only 45.2% had a policy for supporting employees in relation to their family and caring responsibilities. Even fewer employers had a formal strategy on flexible working or supporting employees with caring responsibilities.[50]

> Maree, a divorced mother of two older teenage girls who was interviewed in 2011, worked several part-time casual jobs. Her shifts varied from three to five hours — as she put it, 'all up and down all over the place'. Furthermore, not only was her working time unpredictable, but the boundaries were blurred. With split shifts, work invaded family and personal time and created anxiety and stress: 'You fall asleep on the couch thinking, "Oh is it time to go yet?" … You just want to go to bed and then you've got to go. So it's difficult in that regard but what can you do? You've got to do something.' — Job Pathways study, 2013[51]

Many Australian women manage their greater responsibility for care and household work by taking on part-time or casual, rather than full-time, paid work. Working women are almost three times more likely than men to be in part-time work, and women with young children under the age of five are almost nine

times more likely than men with young children to be working part-time.[52] Many women with young children report that they use other flexible working arrangements, such as working at home or working flexible hours, when returning to work after the birth of a child.

Employed women are also more likely than men to report high levels of pressure on their time, suggesting that part-time work and other flexible working arrangements are not a complete 'solution' to the unequal division of labour.

Part-time jobs are more likely to be casual than permanent.[53] Casual' work is generally understood to be 'employment without paid leave entitlements' such as sick leave and annual (holiday) leave, and a casual loading is often paid to compensate for the lack of these entitlements (see further discussion below).

The relatively low quality of much part-time work can also affect women's earnings and employment prospects. Women often have to move into lower-level or lower status jobs in order to reduce their work hours and accommodate caring. Some may 'self-select' out of higher-paying jobs or career paths that do not offer flexible or part-time work options. There has also been promotion of the 'mum-preneur' — an entrepreneur who combines mothering with small (often micro) business entrepreneurship but who may have limited economic security.[54]

These strategies tend not to challenge the notion of full-time work as the norm, and many women find themselves consigned to the 'mummy-track', or a path of lower-paid jobs with less access to professional development and fewer opportunities for career advancement.

> Marlene was a woman in her fifties. When she was interviewed in 2009 she had three jobs, one permanent part-time and two casual. She worked hard to provide for her family as the main provider — her husband was in prison. Asked about her opportunities for advancement, she replied: 'I haven't advanced in 15 years. I'm still where I was and the wages are less.' — Job Pathways study, 2010[55]

Casual work

According to WGEA, in 2013–14 women accounted for 57.2% of all casuals, and according to the ABS in 2013 women constituted 64% of all *part-time* casuals. The accommodation and food services industry had the highest proportion of male and female casuals (60.1% and 67.9% respectively), with women accounting for 57% of the industry's employees.[56]

Casual work is often criticised for being insecure or precarious, because workers have less control over their working lives, with unpredictable hours (and

fluctuating pay) from week to week, limited entitlements, and uncertainty about how long the job will last.

Casual work tends to be thought of as short-term, itinerant or relief work, but many Australian workers are so-called permanent casuals who work regular hours in the same workplace for long periods despite only being employed on a casual basis

Casual workers with unpredictable or fluctuating work hours can also face considerable difficulty in accessing child care. For example, child care might not be available for mothers who work night shift, start work early or finish late, and it may be difficult to arrange child care at short notice if casual work schedules change. This can be particularly difficult for sole mothers and for women who do not have informal support from family members and friends. For low-paid workers, the impacts of what Barbara Pocock calls the 'work–life collision' are compounded, because they have 'limited resources to buy themselves out of a work–life squeeze'.[57] For many women, income poverty is replaced with 'time poverty', as they try to manage competing responsibilities relating to work, family, community and themselves.

> It's very difficult because I do night shift. Sleep all day. I've got no life. Sleep all day; work all night, cook dinner, have a couple of hours rest. I'm probably only awake with everybody for about two hours. I don't go out. I don't have a social life. I just work and home, work and home, work and home. It gets a bit depressing at times. That's all I do, work and home … Of course there's lots of problems because I'm never here or they're here and I just don't have the time, I'm tired, I get moody but I have to do the night shifts because that's the only way I can get a bit extra. — Sheree, a 47-year-old single parent, Job Pathways Study, 2010[58]

Long-term costs of short-term solutions

Women's ongoing responsibility for the bulk of unpaid caring and their consequent concentration in part-time or casual work carries penalties that undermine women's economic security in the longer term. Rebecca Cassells and her colleagues predicted that a 25-year-old woman with a postgraduate degree could expect to earn just two-thirds of her male counterpart's lifetime earnings — $2.49 million compared to $3.78 million. Their study predicted an even more pronounced difference between women ($1.52 million) and men ($2.55 million) whose highest level of education was Year 12[59]

The gender pay gap in lifetime earnings is closely related to women's concentration in part-time and casual work. In the shorter term, working fewer hours — or ceasing paid work to take on caring roles — means that women earn less than men (or women) who are in full-time work.

In addition, because retirement (superannuation) savings are directly related to an individual's paid work participation and earnings, women who work fewer hours or who take time out of paid work are also likely to have lower superannuation savings than men. Even if a woman has a spouse or partner with substantial retirement savings, unexpected events like relationship breakdown or a partner's death can leave her vulnerable to hardship. Furthermore, women's longer life expectancy means that whatever resources they have accumulated need to last for longer.

A low level of superannuation or other retirement income can put women at risk of financial stress and poverty in their later years, and can inhibit their ability to participate fully in society. Research funded by the Australian Institute of Superannuation Trustees highlights the experience of retired Australian women. Women spoke of financial difficulties, limitations on their ability to socialise and go on holidays, and concerns about the future due to their lack of superannuation savings, particularly when combined with ill-health, divorce or other unexpected life events.[60]

> Nobody helps me financially. I mean my ex-husband doesn't help me, and I'm renting and it's a hell of a blow to me, it's a big shock … I don't know how much longer I can do this at my age, but beggars can't be choosers and I have to do what I have to do … Times are tough. And people don't understand that — times are really tough at the moment. The cost of living is astronomical … It is a very, very difficult situation; we are living in a very, very difficult society financially. — Jocelyn, 58 years old in 2011, *Sidelined,* 2012[61]

Single retired women are more likely than single retired men or retired couples to rely on the Age Pension as their main source of income.[62] People who rely solely on the pension are at a considerable risk of poverty, which is why the Australian Human Rights Commission has stated that women in Australia are more likely to be 'accumulating poverty' throughout their lives than to be 'accumulating wealth' for their retirement.[63]

Work choices

A common response to concerns about gender inequalities associated with employment is to argue that many women *choose* to work part-time or casually and forgo the advantages that go along with full-time, professional careers. For example, UK researcher Catherine Hakim argues that women can

be classified into three groups: those who are primarily oriented towards the home; those who are work-oriented; and those who are 'adaptive' — that is, they 'prefer to combine employment and family work without giving a fixed priority to either'.[64]

This analysis has been strongly criticised for ignoring the constrained nature of many women's choices, as well as the economic and other consequences of part-time and casual work and other aspects of the gender division of labour that we have described.

Time use and the division of labour are not simply a matter of choice, and women's and men's decisions are influenced not only by individual preferences, but also by cultural expectations about appropriate gender roles, and by policies and practices which encourage or support families to make particular choices. These include several of the factors discussed here, including the design of jobs and workplaces and the availability of quality, affordable child care.

Expectations about women's role as caregivers and men's role as breadwinners can discourage women and men from sharing paid work and caring more equally, although many families want to do so. For instance, social expectations appear to influence men's decisions about flexible work hours and involvement in care. Men are less likely to request flexible work

hours, and are more likely to be refused flexibility by their employers, both of which can make it difficult for fathers to share caring work.

Even if families wish to share care more equally, workplace pressures may limit this choice. A recent study found that 'nearly 44% of Australian fathers stated that they believe that asking for flexible arrangements would mark them as lacking in work commitment'.[65] Changes in the nature of full-time work in Australia, particularly the trend towards longer working hours, can also make it even more difficult for fathers to share caring work, while reinforcing mothers' responsibility for it.