

Office of Fair and Safe Work Queensland

Pay equity – the business imperative

Attracting and retaining staff will remain one of the key business challenges for all Queensland businesses. Demographic change – particularly an ageing workforce – means that Queensland will experience ongoing labour and skill shortages, irrespective of short term economic fluctuations. Long term business success therefore depends on putting strategies in place to ensure a reliable source of employees going into the future.

Queensland's high gender pay gap reflects the fact that barriers to workforce participation and career progression for women continue to exist. The gender pay gap can make women less likely to participate in the workforce, and addressing pay equity focuses on encouraging workplace participation and making more skilled workers available to business.

Pay equity in practice

Addressing pay equity within organisations focuses on identifying and removing barriers to workforce participation and career progression for female employees. In practice addressing pay equity involves:

- undertaking a pay equity audit, which is an analysis of payroll data to determine areas and occupations where gender pay differentials may exist
- reviewing human resource policies and practices to ensure that they do not directly or indirectly hinder career progression for female employees, such as not permitting part time work at senior levels
- making flexible working arrangements available for all employees, and promoting a workplace culture that supports their use.

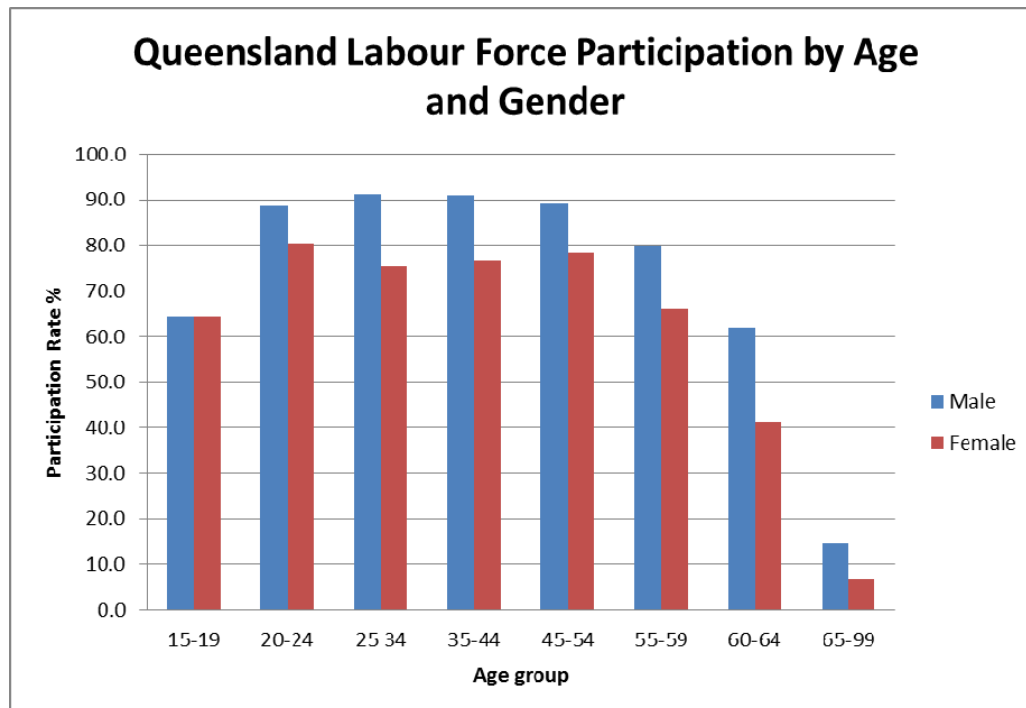
Women's participation in the labour force and thus the availability of their skills for employers is affected by a range of factors. Queensland employers have the capacity to overcome many of the factors discouraging women's participation.

Women earn less than men in terms of average weekly ordinary time earnings due to:

- a lack of permanent part time jobs and flexible working arrangements which restricts the ability to combine quality employment and family care responsibilities
- over-representation in casual or non-career part time jobs, which are often paid lower wage rates and have few opportunities for training and career progression
- the sex segregation of the labour market, with men and women working in different occupations and industries and female dominated occupations traditionally being undervalued.

Statistics on female participation

The level participation of women in the workforce is strongly influenced by the fact that many women have dependent children. For Queensland women, the workforce participation rate in November 2009 was 61.3 per cent. For men, this participation rate was 73.5 per cent¹. As shown by the Graph², the participation rate for women shows a sharp dip between ages 20 and 35 when many women leave the workforce due to family commitments.



Queensland, and Australia, both have relatively low female participation rates compared to other countries. Levels of employment for women with children, in terms of both full time and part time employment, are 20 to 30 percentage points below other OECD countries³.

The way forward

Organisations that are serious about addressing pay equity as one of their range of strategies to attract and retain skilled employees should start by undertaking a pay equity audit to provide data specific to the workforce. After undertaking a pay equity audit, organisations are better able to identify where gender pay inequities exist within their workplace and can then adopt strategies to remove barriers to workforce participation and career progression. A range of resources are available to assist organisations to undertake pay equity audits.

An Australian Pay Equity Audit Tool developed by the Western Australian Government's Department of Commerce, and supporting resources, are available on the Equal Opportunity for Women in the Workplace Agency website (www.eowa.gov.au). The Pay Equity Audit Tool is an automated spreadsheet that aids in the data analysis process by creating tables and charts based on payroll data, showing gender pay gaps and other indicators such as the prevalence of flexible working arrangements.

¹ ABS Labour Force Australia Cat. No. 6202.0 April 2010 (Trend Data)

² LMPR DEVETIR: 12-Jun-2010

³ Selection of OECD indicators: How does Australia compare? Accessed from: www.oecd.org