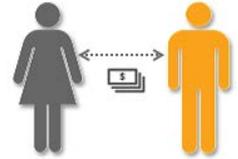


April 2014

The gender pay gap: fact or fiction?



Fiction	Fact	More detailed information
It's illegal not to pay women and men equally, so the gender pay gap no longer exists.	The gender pay gap is the difference between women's and men's average weekly full-time equivalent earnings. While Australia has had equal pay legislation since 1972, when 'equal pay for equal work' was introduced as law to the industrial relations landscape, this type of prohibited discrimination is just one of the many factors resulting in differences between women's and men's earnings. So while the equal pay legislation provides a legal requirement for employers to pay women and men the same for work of equal or comparable value, ¹ it cannot control the many events over the life course that contribute to women's pay disadvantage.	<i>Parenting, Work and the Gender Pay Gap</i> <i>Different Genders, Different Lives</i>
Of course there is a pay gap when so many women work part-time.	The gender pay gap is calculated as the difference between women's and men's average weekly full-time equivalent earnings, expressed as a percentage of men's earnings. The national gender pay gap is based on the Australian Bureau of Statistics' Average Weekly Full-Time Earnings data (cat. no. 6302.0). ²	<i>Gender Pay Gap Taskforce Report</i> <i>Gender Pay Gap Statistics</i>
Women deserve to get paid less because they choose lower paying professions that are less demanding.	Australia's workforce features strong gender segregation in industries and occupations. For example, over half of all women are employed in four sectors: health care and social assistance, education and training, retail trade, and accommodation and food services. ³ Work in female-dominated sectors has traditionally been undervalued and 'caring' skills are not rewarded as favourably as technical skills. The Fair Work Commission recently found that employees in the female-dominated social and community service industry were underpaid in comparison to those in comparable state and local government employment and that gender had been a factor inhibiting salary growth in the industry. ⁴	<i>Parenting, Work and the Gender Pay Gap</i> <i>Women's Economic Security in Retirement</i> <i>Different Genders, Different Lives</i>
Women aren't as ambitious as men and don't go after leadership positions or higher-paying jobs.	<p>Research has shown that women do ask for promotions and development, but their attempts are often met with a different response and less success than their male colleagues. Even when women do "all the right things" they are unlikely to earn as much or advance as far as men.⁵</p> <p>Women comprise more than 50% of university graduates, which doesn't support the suggestion that women aren't ambitious. One recent study found two-thirds of young women aged 18 to 34 rate career high on their list of life priorities, compared with 59% of young men.⁶</p>	<i>Supporting Careers – Mentoring or Sponsorship?</i> <i>Women and Negotiation</i> <i>Different Genders, Different Lives</i> <i>Gender workplace statistics at a glance</i>

Fiction	Fact	More detailed information
The gender pay gap can be explained because women leave the workforce to have children, so they often have less cumulative work experience than men.	Yes, women often take time out for child rearing, but the main impact on the gender pay gap is the financial penalty they suffer when they return to full-time work. Research has shown that women returning from one year of maternity leave can expect reduced earnings growth. This 'motherhood penalty' increases with longer periods of maternity leave. For example, a three year leave period can result in a fall in wages growth of more than 10%. ⁷	<i>Parenting, Work and the Gender Pay Gap</i> <i>Women's Economic Security in Retirement</i>
Women choose to work part-time to focus on family, contributing to the gender pay gap.	While it is certainly true that women undertake most of society's unpaid care work, ⁸ the 'choices' women and men make around work and caring responsibilities are constrained by workplace practices and cultures. As a result, women carry most of the caring load, partly because workplace cultures don't encourage men to work flexibly. Of particular concern is research that shows a 'wage scarring' effect once a woman goes back to full-time employment after a period of part-time work. ⁹	<i>Parenting, Work and the Gender Pay Gap</i> <i>Different Genders, Different Lives</i>
The gender pay gap is partly caused because men and women hold different types of positions and men tend to have more senior management positions.	Actually this one is true. However, women are not necessarily in less senior positions because they choose to be. Women's careers often stall after they take career breaks or work part-time when they have children. Sure, we all have to make compromises around family and work, but until both women and men feel they can access flexible work practices to juggle career and family responsibilities, it is often not a real 'choice' that families are making. Better quality part-time work would enable women to continue to progress their earning and career potential, and also encourage fathers to engage in part-time work.	<i>All industries snapshot</i> <i>Different Genders, Different Lives</i> <i>Parenting, Work and the Gender Pay Gap</i>

You can learn more about pay equity by visiting the Agency's website: <https://www.wgea.gov.au/learn/about-pay-equity>

¹ Australian Municipal, Administrative, Clerical and Services Union and others: Equal Remuneration Case, [2012] FWA 5184: <https://www.fwc.gov.au/documents/decisionssigned/html/2012fwafb5184.htm>

² ABS (2014), *Average Weekly Earnings, Australia, Nov 2013*, cat.no. 6302.0, viewed 5 March 2014, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>

³ ABS (2013), *Labour Force, Australia, Detailed, Quarterly, Nov 2013*, cat. no 6291.0.55.003, viewed 5 March 2014, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.003>

⁴ Australian Municipal, Administrative, Clerical and Services Union and others: Equal Remuneration Case, [2012] FWA 5184: <https://www.fwc.gov.au/documents/decisionssigned/html/2012fwafb5184.htm>

⁵ Carter, NM. & Silva, C. (2011), "The Myth the Ideal Worker: Does Doing All The Right Things Really Get Women Ahead?" Catalyst, 2011

⁶ Patten, E. & Parker, K. (2012), "A Gender Reversal On Career Aspirations: Young Women Now Top Young Men in Valuing a High-Paying Career," Pew Research Centre, 2012

⁷ Baker, D. "The wage-penalty effect. The hidden cost of maternity leave," The Australia Institute, 2011

⁸ ABS (2008), *How Australians Use Their Time, 2006*, cat. no. 4153.0, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4153.0>

⁹ Chalmers, J. and Hill, T. (2007) Marginalising Women in the Labour Market: 'Wage-scarring' Effects of Part-time Work, Australian Bulletin of Labour, 33(2): 180-201.