



## BPW Australia

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# BPW Australia Pay Equity Advocacy Statement 2015

## Women and Work: Imagine the possibilities

***“We got equal pay once, then we got it again, and then we got it again, and now we still don’t have it.”***

Her Honour Justice Mary Gaudron QC, first female Justice of the High Court of Australia, made this statement about the gender pay gap during the 1998 Pay Equity Inquiry. That was 17 years ago. In 1994 the gap was 16.2% and by 2005 it had dropped to 15.1%, but since then it has been widening beyond what it was 20 years ago.

How can this happen? How can it be that Australia graduates more women than men but pays them less? Why is women's work so undervalued?

There are a number of factors that contribute to the gender pay gap between men and women.

BPW Australia debunks the myth that the gap results from women working in lower paid industries, working fewer hours, taking time out to have and raise children or being less ambitious, less capable, less productive or less experienced. Research does not support these assertions<sup>1</sup>.

The gender wage gap is evident from the time young graduate men and women enter the workforce: in 2012 male university graduates were paid \$5,000 a year more on average than females when compared within occupational categories<sup>2</sup>.

BPW Australia recognises that there are cultural and societal reasons for pay inequity that are persistent, pervasive and pernicious. Persistent because passing equal pay laws and policies makes little difference, in Australia or globally. Pervasive because the inequality is evident from the school leaver, to the graduate, to the CEO. Pernicious because the inequity is cumulative, resulting in lower retirement incomes for women who then have to live longer, on less, than men.

NATSEM reported in 2010 that 60% of the gender wage gap was due to “being female”. Not to occupation, employment sector, motherhood or qualifications. Just being female. And the penalty for being female equated to an average gap of \$3,394 a year<sup>3</sup>. This reinforced the findings of the Household, Income and Labour Dynamics in Australia (HILDA) research from 2001 to 2006, where over 50% of the gender wage gap for higher-waged positions was found to relate to being female for government workers and 88–92% of the gap for private sector workers<sup>4</sup>.

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<sup>1</sup> Liz Temple, Federation University Australia, in The Conversation 23 July 2014, *Not missing in action: the enduring penalty of 'being female'*

<sup>2</sup> Graduate Careers Australia's GradStats 2014 at [http://www.graduatecareers.com.au/wp-content/uploads/2014/12/GCA\\_GradStats\\_2014.pdf](http://www.graduatecareers.com.au/wp-content/uploads/2014/12/GCA_GradStats_2014.pdf)

<sup>3</sup> National Centre for Social and Economic Modelling, *The impact of a sustained gender wage gap on the Australian economy*, University of Canberra 2010

<sup>4</sup> Juan Baron and Deborah Cobb-Clark, Discussion Paper: *Occupational Segregation and the Gender Wage Gap in Private- and Public-Sector Employment: A Distributional Analysis* 2008

An analysis of the 2001–2008 HILDA data indicated that small proportions of the 27% wage gap found between female and male managers were related to factors such as women working fewer hours per week than men, having less experience and working in health and community sectors. In fact, 65–90% of the gender pay gap was found to be due simply to being female<sup>4</sup>.

The gender pay gap in lower paid jobs was found to be related to the employment sector and employee experience. Here, the penalty for being female is applied across female-dominated industries. In 2013 the female-dominated health care and social assistance sector had the highest gender pay gap at 30.7%, followed by financial and insurance services at 30%. Jobs that are predominantly filled by women tend to be less valued than those traditionally held by men, even when the work requires similar skills and responsibilities.

BPW Australia is especially concerned that the gender difference between men's and women's superannuation balances is 45.7%, with the average man accumulating nearly twice as much super as the average woman. As a result, women are more at risk of poverty in old age.

BPW Australia advocates for compulsory reporting and gender-disaggregated data, greater transparency in pay rates within workplaces, and an active program across governments, corporates and industries to address the cultural and societal factors that create and foster the gender pay gap.

Women comprise half the Australian population; we cannot be expected to wait patiently for pay inequity to resolve itself.

*BPW Australia is a well-established organisation of women who advocate and take national action for women's equality at work, on boards and in leadership. We are part of BPW International, a globally influential women's organisation with consultative status at the United Nations.*

*BPW Australia welcomes as members women in paid and voluntary work, including women who used to work and women who aspire to work. Our membership includes employers and employees, corporate women and small business women, women in professions and trades, and from the non-profit and government sectors.*

The Workplace Gender Equality Agency has released a video that explains the Gender Pay Gap <https://www.youtube.com/watch?v=G7FiVsIDWKY&list=UUeN2fasKhKMtr9QYC8BFQRA>

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***Taking action for women's equality: at work, on boards, in leadership***