



Pay equity - the business imperative

Attracting and retaining staff will remain one of the key business challenges for all Western Australian businesses. Demographic change – particularly an ageing workforce – means that Western Australia 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.

Western Australia'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; and
- 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. **Western Australian employers have the capacity to overcome many of the factors discouraging women's participation.**

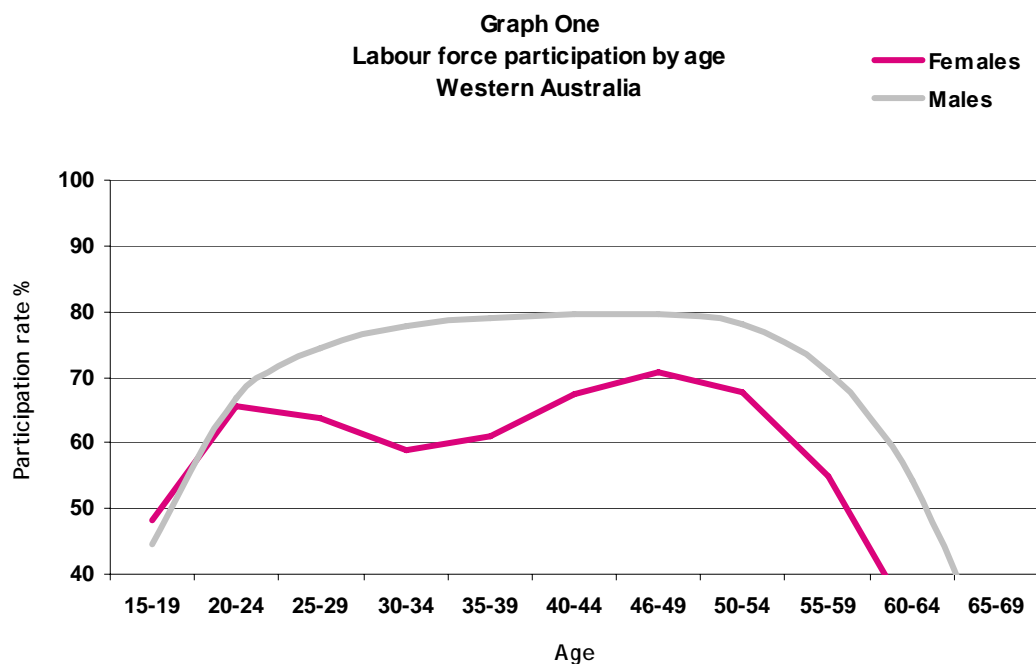
Women earn less than men in terms of average weekly ordinary time earnings due to:

- 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; and
- 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 Western Australian women, the workforce participation rate in May 2009 was 61.5 per cent. For men, this participation rate was 76.9 per cent¹. As shown by Graph One², the participation rate for women shows a sharp dip between ages 25 and 40 when many women leave the workforce due to family commitments.



Western Australia, 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.

The Department of Commerce has developed the Pay Equity Audit Tool and a range of supporting resources to assist organisations undertake a pay equity audit. 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.

For more information visit www.payequity.wa.gov.au

¹ ABS Labour Force Australia 6202.0 (Table 8) May 2009 (Trend Data)

² ABS Census 2006

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