



EOWA Op-Ed for EQUAL PAY DAY 2011

This year **Equal Pay Day** will take place on 1 September.

In the 25 years since the *Affirmative Action Act* was passed, women's working lives and prospects have improved, but discrimination and disadvantage remain a problem. The gender pay gap, currently 17.2 per cent, is about the same as it was 25 years ago. This means that, to match what men earn in a year, women would have to work an extra 63 days. Sadly, women are two and a half times more likely to live in poverty in old age than men.

The principle of equal remuneration for work of equal value was established about 40 years ago. Every survey shows that Australians want action on achieving pay equity. However, progress on closing the gender pay gap has been slow because working men and women are still concentrated in different occupations, industries and job levels, because women still do more of the family and caring work, and because many jobs that women tend to do are still undervalued.

Australia's pay equity legislation has not corrected historic gender-related undervaluation. Until recently, equal pay cases have achieved little. We now have the *Fair Work Act* which has enabled social and community services employees to bring a pay equity case. While this particular case is yet to be finalised, in an interim finding, Fair Work Australia found that these workers were receiving less pay than their public sector counterparts, due in part to gender. This is a landmark ruling but there is still much to be achieved if pay equity is to become a reality through legislative intervention.

In addition to disappointing legislative interventions, there have been market failures. Women's jobs have not been effectively priced in the labour market. This is due in part to women's lower bargaining power in an increasingly decentralised industrial relations system. There have also been technical failures in how the market values some types of work.

Employers need to do more to address pay equity. In 2010, less than 40 per cent of organisations reporting to the Equal Opportunity for Women in the Workplace Agency (EOWA) conducted an annual pay equity analysis. Of that number, only about half reported that their pay equity analysis led to action. EOWA hears organisations saying that they see there is a pay equity issue but they do not make a connection with their everyday practices – the issues always seem to be 'out there', 'back then' ... and 'someone else's problem to fix'.

That's where EOWA can help. We guide employers to understand the issues and examine them within their organisations, to develop practical and effective strategies to address them, to analyse, evaluate and revise their HR policies and practices, and to review and report on progress and achievements. We provide the *Mind the Gap* pay equity online course, payroll analysis tools, helpful fact sheets, illustrative YouTube clips, business cases and case studies, comparative research and statistics and practical implementation and monitoring advice. We are currently sponsoring the development of an Australian Standard on Gender-inclusive Job Evaluation and Grading. We also require an *EOWA Employer of Choice for Women* organisation to undertake a remuneration analysis to understand if there are any gender pay equity issues. Under proposed changes to the legislation governing EOWA, there will be an increased focus on pay equity and we will intensify our efforts to facilitate better pay outcomes for women.

Progress on pay equity requires that people see and acknowledge the issues, want to address them, know how to analyse them, identify their causes and impacts, understand what to do to remedy them, and be ready to take action. Community organisations work to increase understanding and support for tackling pay equity. Government legislates and mandates and funds programs, and provides leadership and incentives to business. HR practitioners investigate and recommend action within their organisations. Employers and unions enable and support action in organisations, industry sectors and more broadly. This is the work of many hands..... It is what **Equal Pay Day 2011** is all about.