

Recommendation Paper

“Women and The Future of Work”

ISSUE

Eliminate the gender pay gap with proactive policy reforms from Federal, State and Territory governments. Unless decisive policy action is taken now, the slow and incremental changes in the labour market composition will have a limited impact on closing and then eliminating the pay gap.

RECOMMENDATION

Directly implement above average increases in award wages, via representations to the Fair Work Commission, for sectors of the economy with a high proportion of female workers. The recommendation is for a 0.5 per cent per annum pay increase for those working in education and training, health care and social assistance, retail trade and accommodation and food services (ABS definitions) over and above the general increase in pay. In addition, amend the goals of the Fair Work Act and Fair Work Commission to establish pay equity in law and have an equal remuneration principle that will guide all decisions to ensure workers in feminised industries are paid fairly.

RATIONALE

While all workers in the nominated sectors will receive the pay boost, eS4W estimate that the impact of a 0.5 per cent per annum additional increase will permanently close the gender by approximately 4 percentage points over a decade.

Such a reform on pay will also reflect a structural change in the how society values work, particularly for those involved in health and aged care and education, sectors which have involved a high proportion of female workers.

IMPLEMENTATION

The Federal government in consultation with the States and Territories agree to implement annual pay increases for targeted sectors noted above. To have a meaningful contribution to eliminating the gender pay gap, this approach will need to be in place for a decade. In addition to impacting the pay gap, such a policy would provide an important economic stimulus to the economy and would also work to attract, over time, more highly skilled workers to these important sectors of the economy.

CONCLUSION

The gender pay gap will not close without directly targeted policy changes in the wages paid in female dominated sectors of the workforce, that are set under the awards system. The importance of complete gender pay equality demands decisive policy action to bring about change. The recommendation is just part of a series of measures that will work to bring about pay equality.

Consideration could be given to making the additional pay contribution 1.0 per cent per annum which would see the gender pay gap close by approximately 9 percentage points by the early 2030s.