



Report on National Pay Equity Forum

**Hosted by economic Security4Women, a National Women's
Alliance with support from Office for Women**

Held on Thursday 5th September 2013

At Park Royal Hotel Melbourne Airport

**Chaired by Sandra Cook,
Chair of economic Security4Women**

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Executive Summary

Held in the week of Equal Pay Day¹ 2013, this forum provided the opportunity for, representatives of business in the small to medium enterprise sector (SME), employees, women's organisations, academics with expertise in pay equity and in human resource management in SMEs, and public sector agencies to improve their understanding of pay equity challenges and useful ways forward.

An interactive discussion followed introductory remarks by members of a panel who outlined the challenges to gender pay equity for the SME sector. The panel comprised:

- Ms Philippa Hall, Pay Equity Consultant, Facilitator of the forum. Ms Hall is a specialist in women's pay and employment issues, and has worked in many state and federal Government agencies in Australia, and in New Zealand.
- Dr Susan Mayson, Monash University. Dr Mayson conducts research in employment relations and human resource management in small firms in collaboration with Professor Rowena Barrett (Edith Cowan University).
- Ms Judith van Unen, Council of Small Business of Australia. Ms van Unen is CEO (Joint) and Founding Director of Justice Equality Rights Access International (JERA); Oceania Sub-Regional Coordinator of Business and Professional Women International; Director National Foundation for Australian Women; Director of Council of Small Business of Australia (COSBOA); Director Asia Pacific Diversity Foundation; and a Business Performance Strategist with van Unen enterprises, and van Unen property services.
- Ms Ondina Gregoric, Women Chiefs of Enterprise International. Ms Gregoric is an entrepreneur, consultant and manager with a background in high end fashion, skin care and retail. Ms Gregoric is also a COSBOA Small Business Champion.
- Dr Naomi Stead, University of Queensland. Dr Naomi Stead is a Senior Research Fellow in the Research Centre ATCH (Architecture Theory Criticism History) in the School of Architecture at the University of Queensland. She is co-editor of the award-winning online journal *Parlour: Women, Equity, Architecture*.
- Ms Catherine Davies, Australian Council Trade Unions. Ms Davies is the Australian Education Union Federal Women's Officer and a member of the ACTU Women's Committee.
- Ms Alexandra Heron, Workplace Gender Equality Agency (WGEA). Ms Heron is a Senior Research Officer at WGEA and a PhD candidate at the University of Sydney.

There were 32 participants in the forum. A significant number of people who had accepted the invitation decided not to participate on the day because of the caretaker conventions affecting public sector participants, and uncertainty relating to the post-election environment.

¹ Equal Pay Day is set to reflect the date by which women will have earned the same amount men earned in the previous financial year.

Key results of the event

An important theme in the discussion was that SMEs often unknowingly contribute through their everyday practices to pay equity problems.

The most useful future work would be in improving understanding of pay equity in the sector, and of practical and relevant alternative ways of equitable employment practices, especially in valuing and remunerating work.

Facilitating engagement of SMEs with each other, with Government information providers and with industry and professional associations and service providers would help to motivate and enable ongoing work on pay equity.

Background to the sector and the forum

The forum built on previous work by eS4W focusing on better understanding the specific challenges of implementing pay equity in the SME sector and how to support SMEs to achieve pay equity. It also built on previous pay equity events: in 2008 two pay equity roundtables were hosted by the Office for Women and in 2009 a pay equity workshop was held by the Women's Advisors Meeting group.

SMEs account for nearly half of private sector employment² and a higher proportion of people spend some part of their working life as SME owners, operators or employees. What happens in small business significantly affects the overall gender pay gap directly. Conversely, what affects pay equity in larger organisations affects the SME sector as people move between the sectors as employers and employees.

The proportion of women who are 'Own account workers' (sole traders or contractors with an ABN³) has increased by 14 per cent over the ten year period to 2013 while the proportion of men has decreased by five per cent. At the 2011 Census women accounted for 31.9 per cent of business operators, running over 480 000 businesses, and 32.1 per cent of small businesses (with 0-19 employees).

The industries where women and men operate businesses reflect a similar pattern of industry/occupation gender segregation to the labour force overall. Women are the majority of business owners in Health Care and Social Assistance (65 per cent), Education and Training, and Retail Trade (both at 55 per cent). Women are also well represented in Other Services, Accommodation and Food Services and Public Administration and Safety.

² Australian Small Business Key Statistics and Analysis viewed at <http://www.innovation.gov.au/smallbusiness/keyfacts/Pages/Library%20Card/AustralianSmallBusinessKeyStatisticAndAnalysis.aspx>. 4.6 million people, or 46% of the private sector employment, were in businesses with fewer than 20 people in 2011.

³ ABS-Labour Force, Cat. No. 6291.0.55.003, Australia, Detailed, Quarterly, May 2013
www.security4women.org.au

As business owners and employers women are more likely than men to work part time.

Over the past ten years there has been a considerable increase in the proportion of women aged 65 and over running a business. There has not been any significant increase in the proportion of women of child bearing age running their own business.

Overall Australian women are marginally under-represented as firm founders⁴. Women are more likely than men to start a business so they can have a manageable job. While almost 90 per cent of firm founders have positive, opportunity-driven motivation, necessity-motivation is slightly higher for female founders (14 per cent) than for males (9 per cent). A somewhat larger difference is evident between the preference for “maximum growth” compared with keeping the firm “small and manageable”: 27 per cent of male-only ventures go for maximum growth, compared with 13 per cent of female-only start-ups.

In Australia in May 2013, the weekly gender pay gap for full time workers was 17.5 per cent. The average weekly ordinary time earnings⁵ of women working full-time were \$1252.20 per week or \$266.20 per week less than their male counterparts (earning \$1518.40 per week). The gap had remained the same since 2012, and is above the long term average of 16.2 per cent.

The gender pay gap in average weekly earnings for full time non-managerial employees in organisations with fewer than 20 employees is 9.7 per cent, and 11.5 per cent in all other organisations. The gender pay gap is lower at 13.1 per cent in the public sector than in the private sector, at 20.8 per cent.

A higher proportion of SME employees have their pay set only by awards. Overall 16.5 per cent of employees, over a million people, have their pay set by awards only. A significant further proportion of the workforce has pay that is largely set by awards. The gender pay gap for employees whose pay is set only by awards is lowest for all pay setting arrangements, at 2.5 per cent, compared with a gap of 20.6 per cent for those whose pay is set by individual arrangements⁶. Pay rates are significantly lower where pay is set only by awards rather than by individual or collective agreements.

Recognition of the specific characteristics of SMEs needs to be balanced with recognising the common factors affecting gender pay equity. There is significant commonality in gender pay gap factors across larger and smaller organisations, including occupational and industrial concentration of women’s jobs, how women’s work is valued and paid, and how women’s paid and unpaid work fit together.

⁴ Australian Small Business Key Statistics and Analysis viewed at <http://www.innovation.gov.au/smallbusiness/keyfacts/Pages/Library%20Card/AustralianSmallBusinessKeyStatisticsAndAnalysis.aspx>

⁵ Average full time weekly earnings before tax excluding factors such as overtime and pay that is salary sacrificed.

⁶ Economic Security for Women Fact Sheet: Pay Equity in Australia – Key Data on the Gender Wages Gap www.security4women.org.au

However, SMEs are more concentrated in service provision, which can limit ability to pass on wage pressures, especially in highly competitive markets, and those where larger purchasers exercise significant market power (for example, some areas of health and social services, cleaning, and retail).

Much existing work on pay equity strategies has been more relevant to larger organisations, in focusing on cases, legislation, systems and arrangements in industrial and employee relations, and human resources management (HRM). For certain organisations with over 100 employees, pay equity analysis and activities have been focused on organisation-level strategies and reporting on them to the Workplace Gender Equality Agency.

The availability of flexible working arrangements affects the level and areas of women's participation in paid work, and so affects pay equity. Australia's rates of women's labour force participation are relatively low compared to OECD countries. Larger businesses are more likely than SMEs to offer a range of flexible working arrangements⁷. These include flexible working hours; ability to access extra leave; selection of own roster of shifts; job sharing; ability for staff to work from home; paid parental leave and flexible use of personal sick, unpaid or compassionate leave.

Small and medium sized employers are less likely to know about and use Individual Flexibility Arrangements⁸. Employees working for medium and large employers are more likely than those working for small employers to request flexible working arrangements. Requests for extended parental leave and for flexible working arrangements increase with employer size.

⁷ ABS, Australian Small Business Key Statistics and Analysis December 2012, <http://www.innovation.gov.au/smallbusiness/keyfacts/Pages/Library%20Card/AustralianSmallBusinessKeyStatisticsAndAnalysis.aspx>

⁸ Fair Work Australia, General Manager, Employer Survey 2012, <http://www.fwc.gov.au/documents/IFA.pdf>

Discussion at the Forum

The SME sector is very diverse in size, locations, nature of enterprise, industries, markets and so on, and includes both business and not for profit organisations. That diversity needs to be considered in analysing, and communicating about, resources that would be useful in the sector.

Cash flow can be a major constraint on capacity to pay especially where fluctuations in the business make it difficult to meet ongoing commitments to higher wages. SMEs sometimes feel under-equipped in estimating pricing for contracts, and squeezed by competitive pressures to bid too low to cover reasonable wages and other employee-related costs (for example, superannuation) for themselves and their employees. Existing sources of information on market rates for particular types of work and other business inputs were not necessarily well known. SMEs are also unsure about accounting requirements.

There was a general sense that possibilities for pay equity are limited in the SME sector because of its low profitability. Employees in the sector share this sense, as do small business and other associations, and that inhibits demand pressures for pay equity. In any case, there are few channels for articulating pay equity demands.

While small business can sometimes provide informal and/or ad hoc flexible working arrangements, having few employees can make it difficult both to maintain required staff levels and respond to employee needs for ongoing and reliable flexible working arrangements.

SMEs are often reluctant to engage in bargaining about remuneration and employment conditions and may consider themselves ill-equipped to do so. They often prefer to make discretionary over award payments. Where they are made on ad hoc basis, the bases may not be transparent or consistent. Similarly, potential and current employees may not feel confident about bargaining.

SMEs tend to have less access to HRM know-how and resources. Employment arrangements tend to be more informal and ad hoc. It would be useful for SMEs to be able to check whether their informal arrangements might incorporate gender bias. It can be difficult for SMEs to know what information they need about HRM generally (including pay equity, bargaining, recruitment and flexible work arrangements) and how to access it. Effective use of the information depends on it being relevant to the various parts of the sector and easily available when it is needed, preferably through a single channel.

Ways forward

The most useful approaches are education, communication with and engagement of SMEs. Existing legislative and policy settings were not seen as impeding progress to pay equity, nor were they sufficient to bring it about. Resources need to be targeted specifically for SMEs. The capacity of SME business owners and employees to negotiate effectively about terms and conditions of employment that contribute to pay equity and to better business outcomes can be enhanced.

There is some general interest in the pay equity issues among SMEs. In 2011, a small online survey of 230 women with around 45 per cent under the age of 35 found that the majority had an understanding of pay equity and expected equal pay. The majority would feel let down if they found out that the pay system at their place of work was gender unfair; 40 per cent would start looking for another job and 5 per cent would resign. Almost 80 per cent felt that the Government should take action to redress any gender pay gap, with employers and unions also being held responsible⁹. This is consistent with long-running survey results on pay equity.

Some struggle to see the relevance of the issue where the business employs only women or only men, or where the women and men in the business are paid the same. The focus on a micro-level direct comparison of women's and men's earnings obscures the broader consideration of whether women's and men's work is being valued and remunerated without gender bias, which is the central pay equity issue. Some SMEs with an interest in pay equity would value straightforward tests of whether they did have pay equity issues or not. There are few opportunities for SMEs to develop their understanding of pay equity and how to progress it. Equal Pay Day activities have provided a focus for broadening involvement in the issues.

While the sense that cost constraints inhibit progress to pay equity in the SME sector is pronounced, there is little real data on how costing and pricing affect wage setting in the sector, or on the degree and kind of changes that would be needed to improve pay equity, and approaches to and implications of those changes. The mindset that SMEs are forced to negotiate the lowest possible rates with employees can obscure the possible implications of doing that for turnover and for recruitment of the most highly productive employees. Developing a better evidence base on these issues would promote engagement in pay equity strategies.

Some comments showed that there would be value in improving understanding of: current legal requirements of the award system, of resources and techniques for individual and collective bargaining, of techniques and resources for valuing and remunerating work, of information about markets and pricing of services, and of

⁹ <http://www.awpa.gov.au/our-work/national-workforce-workforce-development-strategydevelopment-strategy/2013/Documents/2013%20Future%20Focus%20Stakeholder%20Submissions/Economic%20Security%204%20Women.pdf>

business benefits of pay equity. In particular, SMEs would value opportunities to discuss and share practical approaches to these issues among themselves, and opportunities to connect with Government and non-Government providers of resources and information.

Some of the discussion about the award system showed that its basis, operation and legal status need to be better understood. For example, some people saw compliance with awards as a choice rather than a legal requirement. The award system provides a well-established, longstanding and generally soundly based system of assessing work value in terms of skills, responsibilities and working conditions as a basis for equitable setting of minimum remuneration. It could be better utilised and promoted. Resources supporting job analysis and developing position descriptions linking particular SME jobs to award classifications could improve effective use of awards. The role of the award system in equitable valuing of work is especially important in view of the very limited use of formal methods of job evaluation in the SME sector.

Awards also provide a well-articulated framework for employment conditions, which is still under-utilised. The contribution of the award system to pay equity will be further enhanced where SMEs recognise the importance of ensuring award payments are also consistent with pay equity, and reflect legitimate remuneration considerations such as individual merit or performance, and productivity.

Employers and employees in SMEs would value better information supporting bargaining. That includes, in particular, information on market rates and conditions, and the legal framework for individual and collective bargaining. Where employees and employers have a shared and explicit understanding, information base and expectations for bargaining, they are both likely to be more confident in the process and satisfied with the outcomes. For example, information about the bases of starting rates within a pay range can encourage the potential employee to provide all relevant information to support setting a fair and consistent rate. This can be especially valuable for applicants without current labour market knowledge and/or confidence in negotiating, such as women returning to the workforce. A shared basis for bargaining can also help combat the propensity by some employers to negotiate differently with women and men, as has been identified in research.

Business cases for gender and pay equity need to reflect the diversity of the SME sector, by business size, industry, locations, types of goods/services provided, occupational mix, and so on. Most work to date on business cases for pay equity has been in relation to larger organisations. The business benefits most particularly identified have been in improving attraction and retention of staff and customers, and building the business by enhancing its reputation as an equitable employer, recognising that the operation of organisations and their market share can be damaged by sex discrimination. More diverse organisations have been found to

encompass more diverse perspectives, innovate more and perform better. Turnover is a significant cost to business, and lack of equity and flexibility have been found to be reasons people leave. Detailed work has not yet been done on the applicability of these business-based costs and benefits in SMEs.

A specific focus on the business case and means of improving the availability of flexible working arrangements in SMEs could improve the competitive position of SMEs as employers. At present, the sector sees itself as relatively less able to offer higher wages and better conditions, while smaller businesses often have the advantage of being located close to where employees live, making travel time and costs less and facilitating family care. Dr Mayson noted that the HILDA survey shows those working in SMEs are more satisfied with their quality of life and conditions. SMEs would value examples of practical implementation of flexible working arrangements.

There is an important global dimension for business, Government and communities in promoting pay and gender equity, and the business case for corporate action has been addressed in the United Nations Women's Empowerment Principles. Improving gender equality is an ongoing focus of international conventions, including responsibilities for employers, unions and Government. There is a strong public policy case for Governments to seek improvements in pay equity, on human rights and social justice grounds, and on economic efficiency and public expenditure grounds, especially when account is taken of lifecycle and intergenerational aspects of the gender pay gap.

Government providers of resources and information would value feedback from SMEs about services provided and needed.

Effective delivery of information to SMEs could usefully involve existing providers of services to the sector, including accountants and solicitors. Professional associations (like the Institute of Architects, as in the case study provided at the forum) can play a role in explaining issues and exploring and sharing solutions. The case study sets out a specific case for gender equity in architecture, using design and language that appeals to architects, delivered through www.archiparlour.org. Many SMEs do not belong to industry or business associations. Business Enterprise Centres could incorporate information about pay equity in their existing education services for SMEs. Unions also have opportunities to provide information and link employees to information sources.

Specific future actions could include a further forum in 2014 convened by eS4W, with enhanced participation of SMEs through having an early evening session with childcare. SMEs would particularly value the opportunity to share solutions. Greater involvement of the range of Government providers of resources and information can be expected outside the constraints of the caretaker period.

Several of the useful future actions identified could be undertaken or commissioned by Government and are unlikely to be undertaken otherwise. These include: work on developing specific business cases for pay equity within the SME sector; development www.security4women.org.au

of information resources about pay equity and flexible work arrangements, and about costing and pricing, and liaison with professional service providers and industry and professional associations about effective targeted delivery of information; and engaging SME participation in adapting existing information provided by agencies such as Fair Work Australia and the Fair Work Ombudsman, and the Workplace Gender Equality Agency, for SMEs. For example, WGEA already offers a range of pay equity resources, including information sheets, gender equality indicators, a business case for pay equity, payroll analysis tools, and education and training resources that could be customised for SMEs. SMEs need to know about the Small Business Advisory Service, Small Business Support Line and other information and tools provided through the business.gov.au website, and gender pay and employment equity needs to be incorporated into the information offered.

Customising resources and single channel delivery (with relevant agencies and resources linked) is important in managing information overload. Scoping of further work required needs to involve relevant Government and non-Government information and service providers as well as SMEs since much of the information identified as needed is already available. The work required may be to improve and diversify delivery channel(s) and/or appropriately customise resources for particular types of businesses, rather than developing new resources. Checklists enabling SMEs to assess whether they have pay equity issues would be useful. The Office for Women may be able to assist in engaging relevant Government organisations in these activities.

Summary

Information, education and engagement strategies are the best way forward. A range of service providers, industry, professional, employee and community organisations, and Government agencies have a constructive role to play. In many areas, existing resources can be customised to incorporate pay equity and in ways relevant to the range of SMEs. Government can play a critical enabling role in coordinating engagement, consulting with stakeholders, championing cultural change and monitoring and researching gender pay and employment equity in the SME sector. Government credibility in leading pay equity depends on the example it sets in the public sector.

Attachments

SME Resources list

1. Fairwork Ombudsman

Best practice guides: The Fair Work Ombudsman has produced Best Practice Guides to assist small to medium-sized businesses in implementing best practice initiatives. Working at best practice helps employers and employees achieve happier, fairer and more productive workplaces.

The Best Practice Guides provide guidance on important workplace issues. They highlight key aspects of the federal workplace relations system, information on best practice concepts, strategies on how these concepts can be implemented, the benefits for the business in doing so and where to find more information. Best practice guides cover the following issues:.

- [Work & family](#)
- [Consultation & cooperation in the workplace](#)
- [Use of individual flexibility arrangements](#)
- [A guide for young workers](#)
- [An employer's guide to employing young workers](#)
- [Gender pay equity](#)
- [Small business & the Fair Work Act](#)
- [Workplace privacy](#)
- [Managing underperformance](#)
- [Effective dispute resolution](#)
- [Improving workplace productivity through bargaining](#)
- [Parental leave](#)

The Fair Work Ombudsman has produced Best Practice Guides to assist small to medium-sized businesses in implementing best practice initiatives.

<http://www.fairwork.gov.au/resources/best-practice-guides/pages/default.aspx>

National employment standards: fact sheet outlining national standards for minimum conditions of employment, including information on flexible working hours, parental leave entitlements, carers leave, etc.

<http://www.fairwork.gov.au/resources/fact-sheets/national-employment-standards/pages/default.aspx>

General workplace protections: fact sheet outlining general workplace protections of certain rights under the *Fair Work Act 2009*.

<http://www.fairwork.gov.au/factsheets/FWO-Fact-sheet-General-Workplace-Protections.pdf>

Unlawful workplace discrimination: fact sheet about how the Fair Work Ombudsman can help those that have been subject to unlawful workplace discrimination in their employment

<http://www.fairwork.gov.au/factsheets/FWO-Fact-sheet-Unlawful-workplace-discrimination.pdf>

Conditions of employment: fact sheet on minimum employment conditions including conditions set by awards, agreements and other industrial instruments on issues of minimum wage, termination of employment, modern awards and workplace laws

<http://www.fairwork.gov.au/resources/fact-sheets/conditions-of-employment/pages/default.aspx>

2. Fair Work Australia

PayCheck Plus: PayCheck Plus is the online application infoline advisers use to calculate modern award pay rates

<https://www.fairwork.gov.au/pay/paycheckplus/pages/default.aspx>

Small Business Fair Dismissal Code: Links to the Fair Dismissal Code checklist for small business employers to follow to ensure that they do not unfairly dismiss an employee.

<http://www.fairwork.gov.au/termination/small-business-fair-dismissal-code/Pages/default.aspx?friendlyURL=1&dismissalcode>

3. Australian Human Rights Commission (AHRC)

Women in male-dominated industries- a toolkit of strategies 2013: a toolkit designed to assist leaders in organisations to develop strategies to increase the representation of women in non-traditional roles in male dominated industries.

<http://www.humanrights.gov.au/publications/women-male-dominated-industries-toolkit-strategies-2013>

Information for employers on sex discrimination:

<http://www.humanrights.gov.au/australian-human-rights-commission-information-employers>

Fact sheet guide for employers on sex discrimination and sexual harassment in the workplace

<http://www.humanrights.gov.au/using-good-practice-good-business-resources-your-workplace>

4. Workplace Gender Equality Agency (WGEA)

About workplace gender equality: information about gender equality in the workplace and links to the WGEA publication 'The business case for gender equality'

<http://www.wgea.gov.au/learn/about-workplace-gender-equality>

Payroll analysis tool: The aim of this manual is to explain the pay equity analysis tool (see below) which is designed to help organisations assess if they have a gender pay gap by quickly and easily analysing the data in their payroll and HR systems manual.

http://www.wgea.gov.au/sites/default/files/Payroll_Analysis_Tool_User_Manual_new%20template.pdf

Pay equity analysis tool: This pay equity analysis tool enables assessment of gender gaps in remuneration using an excel spreadsheet

http://www.wgea.gov.au/sites/default/files/Payroll_Analysis_Tool_middlesite.xls

Gender pay gap statistics: This fact sheet has been compiled primarily from the Australian Bureau of Statistics (ABS) average weekly earnings data set

<http://www.wgea.gov.au/sites/default/files/2013-08-28-Gender-Pay-Gap%20FINAL.pdf>

The gender pay gap: fact or fiction? Separates the fiction from the facts about the gender pay gap. "Behind the gender pay gap". Explains the factors contributing to the gender pay gap
http://www.wgea.gov.au/sites/default/files/gender_pay_gap_fact_fiction.pdf

Women in the workforce: by occupation: This fact sheet was compiled from the ABS Labour Force Survey Detailed Quarterly data set
http://www.wgea.gov.au/sites/default/files/2013-08-28-Women_in_the_Workforce-occupation_aug.pdf

Women in the workforce: by industry: This fact sheet was compiled from the ABS labour force survey, a monthly survey which covers different labour market outcomes such as employment rates and details the employment patterns of women and men across all industries
http://www.wgea.gov.au/sites/default/files/2013-07-25%20-%20Women%20in%20the%20workforce%20by%20industry_FINAL_0.pdf

Gender target-setting toolkit: a tool for businesses to use to improve gender performance by setting gender diversity targets
<http://www.wgea.gov.au/learn/gender-target-setting-toolkit>

'How to' to employer-provided paid parental leave: A guide on how employers can adapt or introduce entitlements for employer-provided paid and unpaid parental leave
http://www.wgea.gov.au/sites/default/files/2013-05-10_branded_ppl.pdf

Improving against gender equality indicators: **an online toolkit which provides practical information and resources to analyse and improve your organisation's performance against each of the six Gender Equality Indicators (GEIs)**
<http://www.wgea.gov.au/learn/improve-against-gender-equality-indicators>

5. Australian Stock Exchange

ASX Corporate Governance Council's gender principles and recommendations: contains a link to research and information on the voluntary diversity reporting framework introduced by the ASX in 2011. This framework has been embraced by small to mid-size listed enterprises
<http://www.asx.com.au/resources/listed-at-asx/diversity-guidelines.htm>

6. economic Security4Women

2010 What Business Wants Report: **Links to an eS4W report which investigates past literature on pay equity and small business and collects data on current practices.**
<http://www.security4women.org.au/past-projects/2010-projects/what-business-wants-a-project-assessing-smes>

2012 Attitudes to Gender Pay Equity in Small Firms: **Links to eS4W report and current project on attitudes towards pay and gender workforce pay equity.**
<http://www.security4women.org.au/projects/pay-and-gender-workforce-pay-equity>

7. Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education

Small Business Support Line: Contact information for the national Small Business Support Line which provides small business owners with a first point of contact to access information and referral services.

<http://www.usindustry.gov.au/programs/small-business/sbsl/Pages/default.aspx>

Legal Help Guide: This guide has been prepared for Australian small business owners to assist them in gaining a broad understanding of legal issues they may encounter.

<http://www.innovation.gov.au/SmallBusiness/LegalHelp/Pages/default.aspx>

8. Australian Small Business Commissioner

Understanding your dispute: A checklist for small business owners to help them better understand and resolve disputes

<http://www.asbc.gov.au/node/72?phpMyAdmin=Zi75KINmxMWN6dSyDXIW7Bzo-59>

9. Standards Australia

Gender-inclusive job evaluation and grading: Provides requirements, information and recommendations to assist with the design and implementation of fair and transparent job evaluation processes and gradings frameworks, as well as auditing those processes, for gender inclusiveness.

<http://infostore.saiglobal.com/store/details.aspx?ProductID=1524331>

10. WA Department of Commerce; Labour Relations-Pay Equity

Pay Equity in Small Business: Online resources for SMEs on how to provide equitable pay and opportunities and contact details for the Pay Equity Unit (PEU).

https://www.commerce.wa.gov.au/labourrelations/content/Pay_equity/Pay_Equity_in_the_Small_Busine.html#content

11. Parlour: women, architecture and equity

Parlour is an outcome of the Australian Research Council-funded research project 'Equity and Diversity in the Australian Architecture Profession: Women, Work, and Leadership', it brings together research, informed opinion and resources on women, equity and architecture in Australia.

<http://www.archiparlour.org/>

12. UK Equal pay audit toolkit for small businesses

This UK toolkit is a guide to good equal pay practice for small firms. It aims to help small businesses to understand their obligations under the provisions of the UK Equality Act that relate to equal pay and provides step-by-step advice to enable them to check whether they provide equal pay in practice.

The toolkit is intended for UK businesses with up to 50 employees.

<http://www.equalityhumanrights.com/advice-and-guidance/tools-equal-pay/equal-pay-audit-toolkit-for-small-businesses/>

www.security4women.org.au

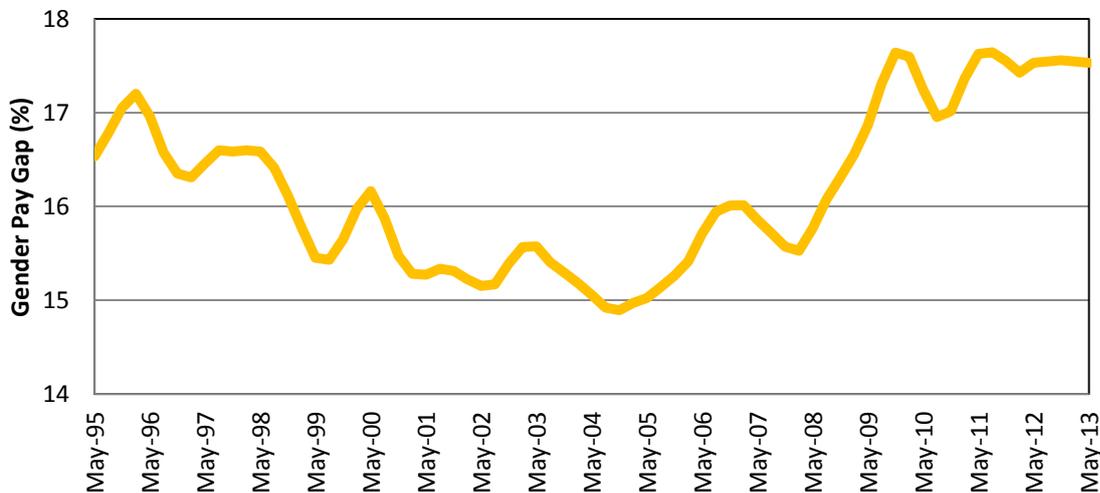
Fact Sheet – Pay Equity

Pay Equity in Australia: Key Data on the Gender Wage Gap

Overview: Pay Equity in the Australian Context

In May 2013, the gender wage gap was 17.5 per cent (100 - women’s average weekly earnings /men’s average weekly earnings). The average weekly ordinary time earnings of females working full-time were \$1,252.20 per week or \$266.20 per week less than their male counterparts (\$1,518.40 per week). The gap has remained the same over the year (17.5 per cent in May 2012) but remains above the long term average of 16.2 per cent.

Chart 1: Gender wage gap, Average Weekly Earnings, Australia, May 1995 – May 2013

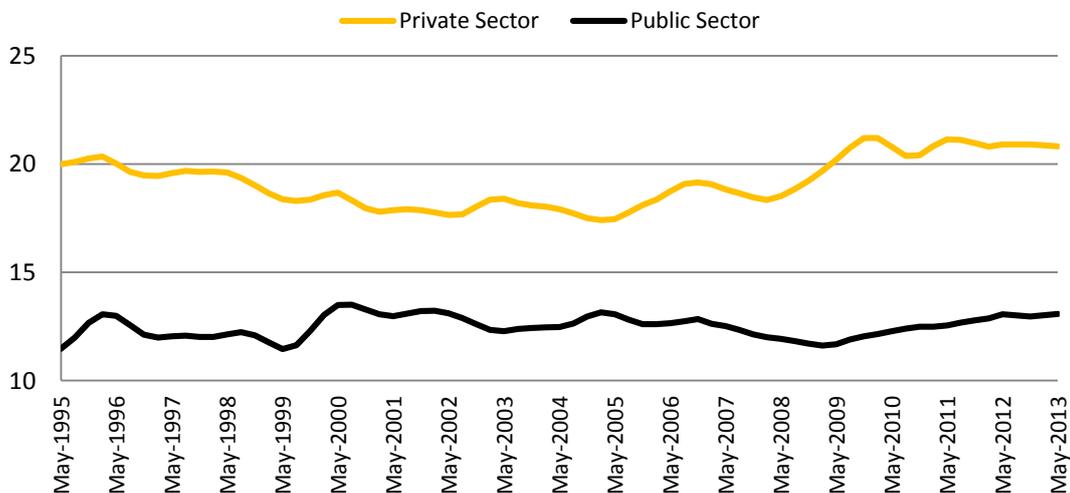


Source: ABS, *Average Weekly Earnings*, Cat. No. 6302.0, May 2013

Private and public sector

In May 2013, the private sector gap was 20.8% and 13.1 per cent in the public sector

Chart 2: Gender wage gap, Average Weekly Earnings, by Sector May 1995 – May 2013



Source: ABS, *Average Weekly Earnings*, Cat. No. 6302.0, May 2013

Industry

In May 2013, the Health Care and Social Assistance industry had the highest gender wage gap (32.3 per cent) followed by Financial and Insurance Services (31.4 per cent), and Professional, Scientific and Technical Services (30.1 per cent). The industries with the lowest gender wage gaps included Public Administration and Safety (6.7 per cent), Accommodation and Food Services (7.9 per cent) and Other Services (9.8 per cent).

Compared to May 2012, the gap grew wider in Construction (+4.9 percentage points to 22.6 per cent) and Retail Trade (+3.4 percentage points to 11.9 per cent). Conversely, the gap narrowed in several industries including Wholesale Trades (-7.7 percentage points to 10.2 per cent), and Other Services (-3.9 percentage points to 9.8 per cent).

Table 1: Gender wage gap by industry, May 2012 – May 2013

Industry	May 2012 (%)	May 2013 (%)	Annual Change (%)
Mining	21.8	22.6	0.8
Manufacturing	17.9	15.5	-2.4
Electricity, Gas, Water and Waste Services	14.8	13.2	-1.6
Construction	17.7	22.6	4.9
Wholesale Trade	17.9	10.2	-7.7
Retail Trade	8.5	11.9	3.4
Accommodation and Food Services	8.5	7.9	-0.6
Transport, Postal and Warehousing	14.8	16.2	1.4
Information Media and Telecommunications	19.5	17.8	-1.7
Financial and Insurance Services	32.7	31.4	-1.3
Rental, Hiring and Real Estate Services	24.8	23.5	-1.3
Professional, Scientific and Technical Services	27.1	30.1	3.0
Administrative and Support Services	11.6	10.5	-1.1
Public Administration and Safety	8.1	6.7	-1.4
Education and Training	11.2	13.2	2.0
Health Care and Social Assistance	31.3	32.3	1.0
Arts and Recreation Services	16.0	16.1	0.1
Other Services	13.7	9.8	-3.9

Source: ABS, *Average Weekly Earnings*, Cat. No. 6302.0, May 2013

State and territory

Consistent with long running trends, WA had the widest gender wage gap (26.9 per cent) and TAS the lowest (9.0 per cent) in May 2013.

Table 2: Gender wage gap, States and Territories, May 2012 – May 2013

State/territory	May-12 (%)	May-13 (%)	Annual Change (PP)
NSW	15.6	14.6	-1
VIC	15.2	13.5	-1.7
QLD	20.3	22.1	1.8
SA	15.1	15.4	0.3
WA	25.6	26.9	1.3
TAS	10.9	9	-1.9
NT	20	20.4	0.4
ACT	12.9	14.8	1.9
Australia	17.5	17.5	0.0

Source: ABS, *Average Weekly Earnings*, Cat. No. 6302.0, May 2013

Pay Equity by Method of Setting Pay

ABS, *Employee, Earnings and Hours* Data by method of setting pay shows for full-time employees the gender wage gap is negative under award coverage (-2.5 per cent) and is highest under individual arrangements (20.6 per cent). Please note EEH data is not directly comparable to the previous *Average Weekly Earnings* data.

Table 3: All Employees, Method of Setting pay, Full-time and Part-time status by Sex – May 2012

	Award only	Collective agreement	Individual arrangement	Owner manager of incorporated enterprise	All methods of setting pay
Persons					
Full-time employees	603.0	2,399.6	2,793.8	262.9	6,059.2
Part-time employees	941.1	1,634.0	920.5	51.1	3,546.7
All employees	1,544.1	4,033.6	3,714.3	313.9	9,605.9
Males					
Full-time employees	56.1	58.4	64.7	81.4	62.1
Part-time employees	33.3	25.8	29.6	41.5	29.0
All employees	42.2	45.2	56.0	74.9	49.9
Females					
Full-time employees	43.9	41.6	35.3	18.6	37.9
Part-time employees	66.7	74.2	70.4	58.5	71.0
All employees	57.8	54.8	44.0	25.1	50.1
Gender Wage Gap*					
Full-time employees	-2.5	16.9	20.6	17.1	18.0
Part-time employees	-1.1	-8.9	10.7	35.6	-1.5
All employees	14.1	31.2	33.0	31.2	32.7
Coverage by MOSP					
Males all	13.6	38.1	43.4	4.9	100.0
Females, all	18.5	45.9	34.0	1.6	100.0

* 100 - (female earnings/Male earnings*100)

Source: ABS, *Employee Earnings and Hours*, Cat. No. 6306.0, May 2012, Average weekly total cash earnings

Pay equity by size of business

The full-time non-managerial employees hourly (9.6) and weekly wage (11.5) gaps were widest for organisations with 20 or more employees. The following tables are based on full-time adult, non-managerial employees and are not directly comparable to previous data.

Table 4: Full-time non-managerial employees hourly/weekly wage gaps – May 2012

Employer size	Male Hourly	Female Hourly	Hourly Wage Gap (%)	Male Weekly	Female Weekly	Weekly Wage Gap (%)
Under 20 employees	\$ 27.39	\$ 25.42	7.2	\$1,054.15	\$951.39	9.7
20 or more employees	\$ 36.94	\$ 33.41	9.6	\$1,408.17	\$1,245.90	11.5

Source: ABS, *Employee Earnings and Hours*, Cat. No. 6306.0, May 2012, Average weekly total cash earnings

Small Business, Equity & Flexibility Data

Gender wage gap in small business

The weekly Gender Wage Gap (women's average earnings as a % of men's average earnings) for full-time non-managerial employees is 90.3 per cent for businesses with fewer than 20 employees and 88.5 per cent for all other businesses.

Table 1: Full-time non-managerial employees weekly gender wage gap by average weekly earnings, May 2012

Employer Size	Male (AWE)	Female (AWE)	Wage Gap (%)
Under 20 employees	1054.15	951.39	90.3
20 or more employees	1408.17	1245.9	88.5

Source: ABS, *Employee, Earnings and Hours*, Cat. No. 6306.0, May 2012

Table 2: Full-time non-managerial employees gender wage gaps by industry, < 20 employees– May 2012

Industry	hourly gap (%)	weekly gap (%)*
Mining	103.4	98.9
Manufacturing	87.9	88.3
Electricity, Gas, Water and Waste Service	96.5	84.1
Construction	84.5	83.4
Wholesale trade	94.2	93.3
Retail trade	103.6	102.2
Accommodation and food services	96.4	95.9
Transport, postal and warehousing	102.8	95.0
Media and telecommunications	113.4	114.2
Financial and insurance services	79.6	77.6
Rental, hiring and real estate services	88.0	86.2
Professional, scientific and technical services	74.9	75.3
Administrative and support services	97.7	91.9
Public administration and safety	114.3	109.8
Education and training	85.7	83.8
Health care and social assistance	57.1	55.2
Arts and recreation services	104.6	105.5
Other services	85.5	82.9

Source: ABS, *Employee, Earnings and Hours*, Cat. No. 6306.0, May 2012

Wage gaps in small business (< 20) by industry (Table 2) demonstrate some significant differences between industries. In the health care and social assistance industry women earn just 55.2 per cent of average weekly earnings of their male counterparts and in the media and telecommunications industry women earn 114 per cent of men's average weekly earnings. When disaggregated by occupation the range is not as wide. The widest gender wage gaps are among labourers, sales workers and clerical and administrative workers while gaps are negligible among managers and machinery operators and drivers.

Table 3: Full-time non-managerial employees gender wage gaps by occupation, < 20 employees– May 2012

Occupation	hourly gap (%)	weekly gap (%)
Managers	99.9	99.7
Professionals	89.6	88.4
Technicians and trades workers	78.6	76.4
Community and personal service workers	94.8	90.5
Clerical and administrative workers	85.4	83.4
Sales workers	83.4	81.0
Machinery operators and drivers	94.9	98.2
Labourers	85.2	75.2
Total	92.8	90.3

Source: ABS, *Employee, Earnings and Hours*, Cat. No. 6306.0, May 2012

Flexible Working Arrangements by size of business

Measured by employee size, larger businesses were more likely to have more employees on flexible working arrangements.

Table 4: Employee working arrangements by employment size, 2010–11– May 2012

Businesses offering:	0–4 persons (%)	5–19 persons (%)	20–199 persons (%)	200 or more persons (%)	Total (%)
Flexible working hours	47.5	64.7	69.6	88.1	54.8
Ability to buy extra annual leave, cash out annual leave or take leave without pay	11.6	28.2	48.1	71.5	19.9
Selection of own roster of shifts	19.1	27.5	28.3	33.2	22.5
Job sharing	7.1	16.5	20.0	40.2	11.2
Ability for staff to work from home	21.8	17.7	32.6	57.9	21.5
Paid parental leave	2.3	6.0	18.4	48.5	4.9
Flexible use of personal sick, unpaid or compassionate leave	17.0	34.2	60.0	84.7	26.0

Note: Proportions are of all businesses in each output category. Businesses could identify more than one type of working arrangement and were not required to report working arrangements other than those listed

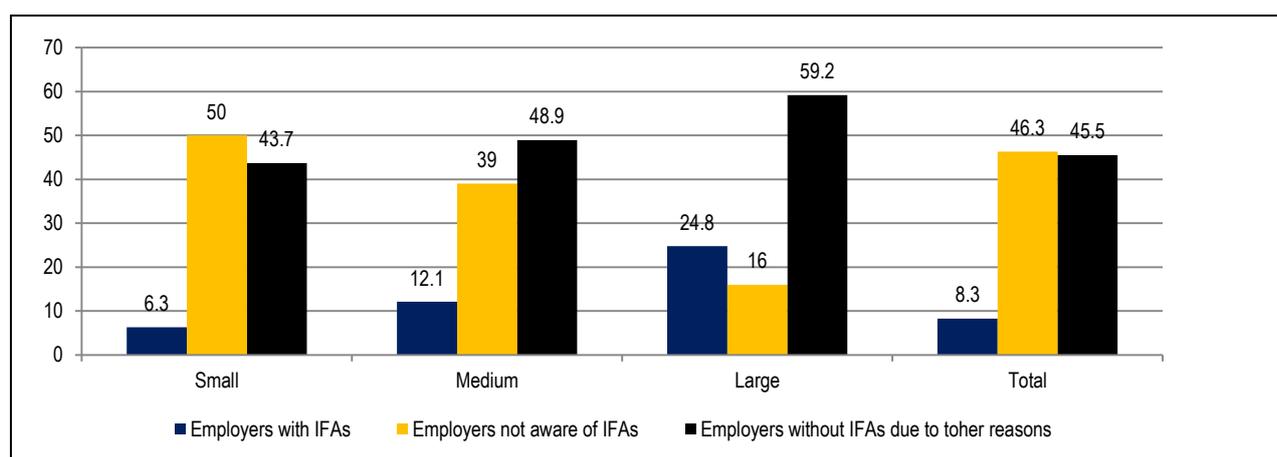
Source: ABS, *Australian Small Business Key Statistics and Analysis December 2012*, Cat. No. 8167.0, Department of Innovation

Individual Flexibility Arrangements (IFAs) and Right to Request

IFAs

Forty six per cent of employers were unaware of IFAs. This was more likely for smaller employers with 50 per cent of small employers, thirty nine per cent of medium-sized employers and 16 per cent of large employers were not aware of IFAs.

Chart 1: Employers who had IFAs to vary employment conditions by employee size – 2012



Note: Business size is presented using the ABS definition where a small employer employs fewer than 20 employees, medium-sized employers employ 20 to 199 employees, and large employers employ 200 or more employees

Source: Fair Work Australia (FWA), General Manager, Employer Survey 2012 in *General Manager's report into the extent to which individual flexibility arrangements are agreed to and the content of those arrangements 2009–2012*

Right to request provisions

Awareness of either the Right to Request extensions to unpaid parental leave or to flexible working arrangements increase with employer size.

Employee Survey

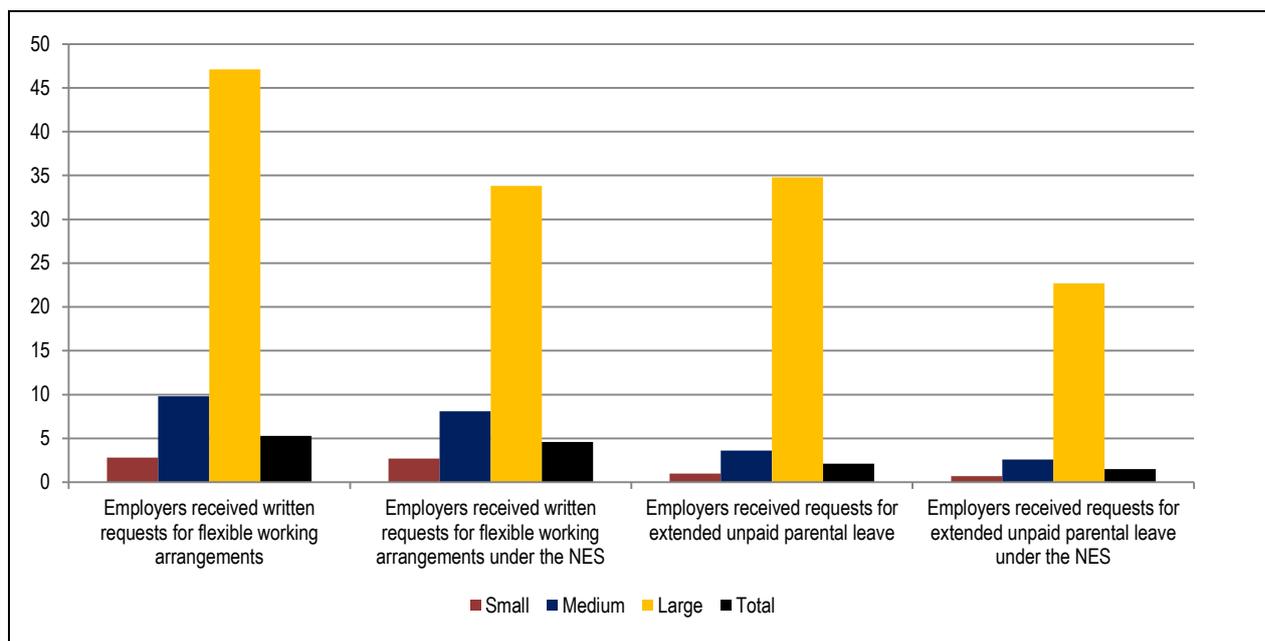
Employees working for medium-sized and large employers (around two per cent each) were more likely to have made a request for flexible working arrangements than employees working for small employers (around one per cent).

Of employees who had made a written request for flexible working arrangements, 75.7 per cent were women, 58.6 per cent were part-time. 12.9 per cent of employees were from small, 48.6 per cent from medium and 38.6 per cent from large businesses.

Employer Survey

Estimates from the employer survey show that the likelihood of having received requests for extended parental leave and for flexible working arrangements increased with employer size (see Chart 2).

Chart 2: Employers who have received requests by employee size – 2012



Source: Fair Work Australia (FWA), General Manager, Employer Survey 2012, *General Manager's report into the operation of the provisions of the National Employment Standards relating to requests for flexible working arrangements and extensions of unpaid parental leave 2012*

Paid Parental Leave

Employer provided parental leave

Few employees in small business enterprises had access to employer provided paid parental leave. Almost half (46 per cent) of eligible mothers working in the private sector had access to employer paid leave however this falls to 8 per cent in businesses of fewer than 20 employees.

Table 4: Employers providing Employer Parental Leave and recipients, by business size, 2010

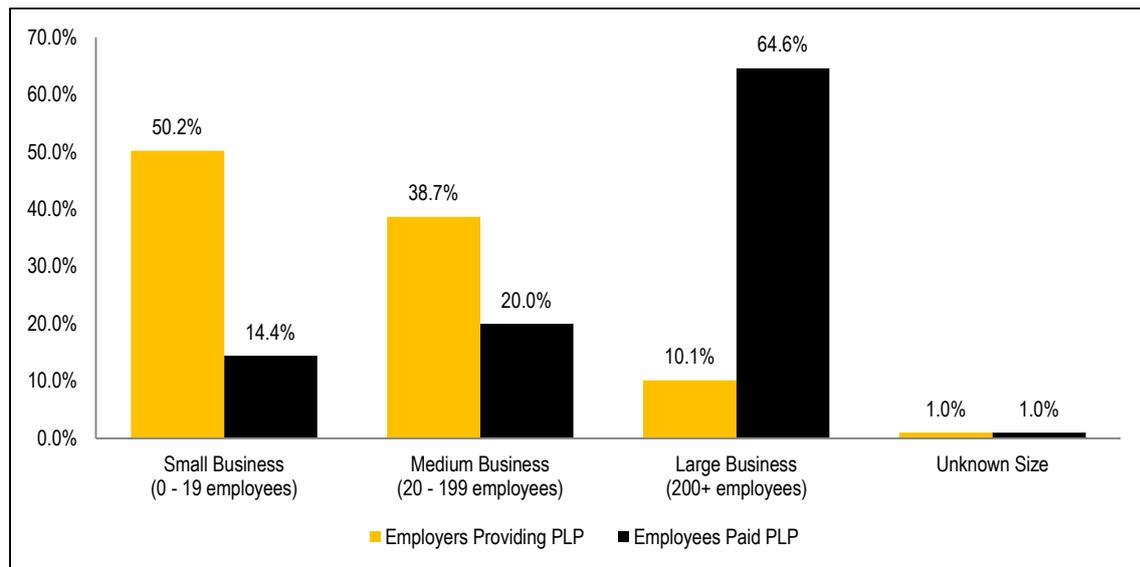
		Proportion with access to EPL	Mean weeks EPL at normal pay rate (EPL users only)	Mean weeks EPL at normal pay rate (all mothers)	Per cent
All		47%	11.0	4.6	100
Size/Sector	Public	83%	11.7	9.4	30
	Private				63
	Large (100+)	46%	10.0	4.2	34
	Medium (20-99)	12%	11.8	1.0	10
	Small (<20)	8%	12.7	0.7	19
	Not for Profit	46%	10.3	4.3	8

Source: Data from the Baseline Mothers Survey (BaMS), Paid Parental Leave Evaluation, 2010

Paid parental leave scheme

From January 2011 to March 2013, 50.2 per cent of employers providing Paid Parental Leave under the national scheme were employers of fewer than 20 employees. Of the number of employees receiving PPL, 14.4 per cent were from small employers.

Chart 3: Employers providing Parental Leave Pay and recipients, by business size January 2011 to March 2013



Source: Department of Families, Housing, Community Services and Indigenous Affairs, Paid Parental leave scheme – data update, paid parental leave review

Women in Business

While it appears that the number of people operating as employers has fallen in recent years, the story for women in business is not so straightforward. Self-employment is an increasingly viable and popular option for women, including mature age women.

There are two principal sources of data on women in business in Australia, one is the five yearly Census and the other is the ABS labour force statistics. The 2011 census recorded that women accounted for 31.9 per cent of business operators, operating over 480 000 businesses. Women accounted for 32.1 per cent of small businesses (with 0-19 employees).

Labour force data provides information on individuals nominating as employees, contributing family workers or as employers and own account workers (sole trader or contractor). The latter two together represent people running a business (or business owners). While the labour force data does not include details on the size of businesses run by individual employers and own account workers, it is a reasonable assumption that the employment data used herein is mostly about small to medium sized enterprises. In total, 1.2 million workers or 10.8 per cent of people employed in Australia are employers or own account workers.

Similarly to the Census headline data, women account for around a third (36.1 per cent) of those running a business in the labour force data. From the table below, in May 2013, 428,000 women were running a business, representing 3.7 per cent of women's employment. The relative figures for men were 757,000 and 6.5 per cent of men's employment.

Table 1: Employment trends for men and women, as at May 2013

Male	workers 000s (yr to May 2013)	% of total employment (yr to May 2013)	change over 1 yr period	change over 5 yr period	change over 10 yr period
Employee	5508	47.6%	1.9%	9.5%	27.1%
Employer	162	1.4%	-7.0%	-18.7%	-20.4%
Own account worker	595	5.1%	-3.5%	-6.0%	-4.9%
Contributing family worker	10	0.1%	0.3%	-14.2%	-33.6%
Total	6276	54.3%	1.1%	6.9%	21.2%
Running own business**	757	6.5%	-4.3%	-9.1%	-8.7%
Female	workers 000s (yr to May 2013)	% of total employment (yr to May 2013)	change over 1 yr period	change over 5 yr period	change over 10 yr period
Employee	4848	41.9%	2.0%	10.3%	28.6%
Employer	84	0.7%	-6.1%	-19.0%	-21.8%
Own account worker	344	3.0%	-2.7%	7.1%	14.2%
Contributing family worker	12	0.1%	-20.4%	-18.9%	-46.8%
Total	5288	45.7%	1.5%	9.4%	25.9%
Running own business**	428	3.7%	-3.4%	0.7%	4.8%

Source: ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly, May 2013

* Average of four quarters to May 2013. ** Employers plus own account workers.

Table 1 also shows that over the 10 year period to May 2013, the number of men running a business has fallen by 8.7 per cent. For women over this period there has been relatively strong growth, with the number running a business growing by 4.8 per cent.

When the data is disaggregated to consider employers and own account workers, it is clear this growth for women has been in working on their own account. The number of employers, both male and female, has reduced over 10 years, falling 20.4 per cent and 21.8 per cent respectively. The number of own account workers has also fallen for men (by 5.5 per cent) but for women, the number of own account workers has grown by 11.2 per cent.

There has also been a fall in the number of employees employed as contributing family workers, for men the number is down 33.6 per cent and for women the number is down by 46.8 per cent.

Industry

It is apparent from the table below that the industries where women and men operate businesses are quite different and demonstrate a similar pattern of industry/occupational segregation found in employment. Men dominate as business owners in mining (100 per cent), construction (91 per cent) and Transport, Postal and Warehousing (86 per cent) and are the majority operators for several other industries. While not dominating to the same extent, women are the majority of business owners in Health Care and Social Assistance (65 per cent) Education and Training (55 per cent) and Retail Trade (55 per cent). Women represent half or almost half of owners in Other Services, Accommodation and Food Services and Public Administration and Safety.

Table 2: Employment in Small to Medium Enterprises by industry and gender, May 2013

Industry	No. Male workers running a SME 000s (yr to May 2013)	No. Female workers running a SME 000s (yr to May 2013)	% Male workers running a SME	% Female workers running a SME
Agriculture, Forestry and Fishing	86.5	44.3	66 %	34 %
Mining	1.3	0.0	100 %	0 %
Manufacturing	41.0	21.0	66 %	34 %
Electricity, Gas, Water and Waste Services	2.8	1.0	73 %	27 %
Construction	221.8	23.3	91 %	9 %
Wholesale Trade	15.5	10.0	61 %	39 %
Retail Trade	34.0	42.3	45 %	55 %
Accommodation and Food Services	27.3	25.8	51 %	49 %
Transport, Postal and Warehousing	55.8	8.8	86 %	14 %
Information Media and Telecommunications	7.8	3.1	72 %	28 %
Financial and Insurance Services	11.0	3.8	75 %	25 %
Rental, Hiring and Real Estate Services	11.3	8.8	56 %	44 %
Professional, Scientific and Technical Services	74.3	56.8	57 %	43 %
Administrative and Support Services	47.8	39.5	55 %	45 %
Public Administration and Safety	2.3	2.0	53 %	47 %
Education and Training	18.5	22.3	45 %	55 %
Health Care and Social Assistance	27.8	52.3	35 %	65 %
Arts and Recreation Services	20.3	12.5	62 %	38 %
Other Services	50.5	51.3	50 %	50 %
Total	757.3	427.5	64 %	36 %

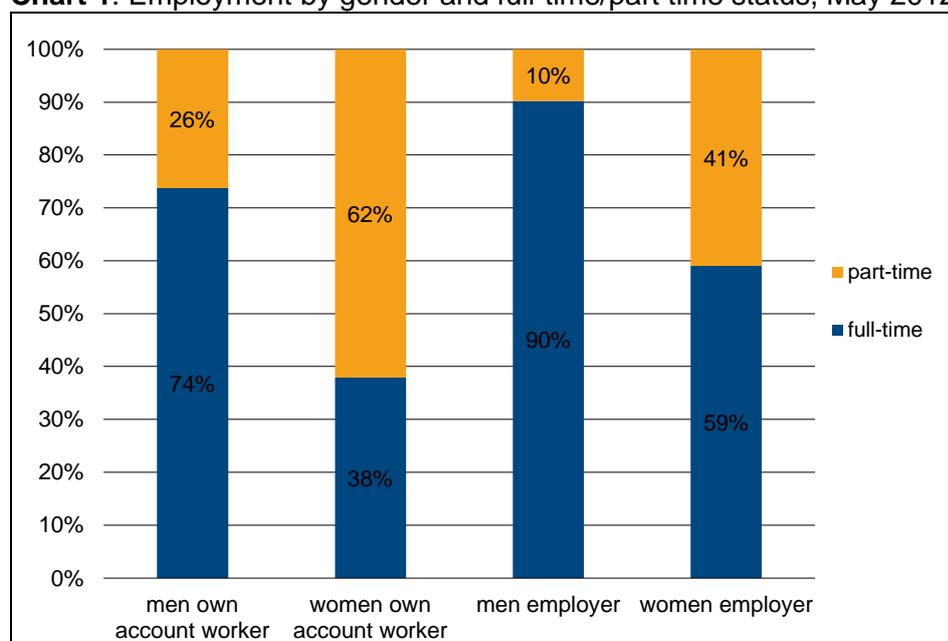
Note: ** Employers plus own account workers. SME workers include all employed as Employer or Own account worker

Source: ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly, May 2013

Employment status – part-time and full-time

Options to work flexibly are more important for women. Some 77.3 per cent of men who run their own business work full time well ahead of the proportion of women who run a business and work full time (42.2 per cent). Male employers are far more likely to be working full time (90 per cent) than female employers (59 per cent) and the same disparity is evident for male own account workers (74 per cent full-time) compared to female own account workers (38 per cent). The option to work part-time may contribute to the increase in women own account workers in recent years.

Chart 1: Employment by gender and full-time/part time status, May 2012-13



Source: ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly, May 2013

Mature age women in business

The table below presents data on business owners by both gender and age and the percentage change over ten years to May 2013. Anecdotally it is understood that running micro business (less than 5 employees) and small businesses (less than 20 employees) is a growth area of employment for mature age women as well as for women of child bearing age. The table below provides support for the anecdotal evidence for women as they grow older but not for women of child bearing age.

The percentage change over the past ten years in the number of women running a business varies considerably between age ranges. There is an evident decline in running a business for women aged 15-19, 25-34 and 45-54. For women aged from 55 however there has been a considerable increase including a 117 per cent increase for women aged 65 and over running a business.

Table 3: SME Employment trends by age, May 2013

Age	No. of workers running and SME 000s (yr to May 2013)	% of workers in age bracket running an SME	% change over 10 yr period
15 - 19	2.5	0.6%	-33.3%
20 - 24	11.6	2.7%	14.8%
25 - 34	66.8	15.6%	-11.9%
35 - 44	118.3	27.7%	0.1%
45 - 54	104.9	24.5%	-12.8%
55 - 59	49.9	11.7%	22.0%
60 - 64	39.1	9.1%	63.9%
65 and over	34.5	8.1%	117.3%
Total	427.5	100.0%	4.7%

Source: ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly, May 2013