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# Women in the Workforce

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## A Discussion Paper

### Business Leader Series

Prepared by the Chamber of Commerce and Industry of Western  
Australia

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# Overview

## About CCI

The Chamber of Commerce and Industry of Western Australia (CCI) is the leading business association in Western Australia.

It is the second largest organisation of its kind in Australia, with a membership of over 5,000 organisations in all sectors including manufacturing, resources, agriculture, transport, communications, retailing, hospitality, building and construction, community services and finance.

Most members are private businesses, but CCI also has representation in the not-for-profit sector and the government sector. About 80 per cent of members are small businesses, and members are located in all geographical regions of WA.

## Introduction

In November 2007, CCI released a detailed study into WA's human capital needs - *Building Human Capital*. This paper identified the broad trends in the WA workforce, and emphasised the need for urgent policy action to address labour shortages if the state's full potential is to be reached. The report also identified a range of policy options aimed at building the state's human capital.

This paper, *Women in the Workforce*, is a follow on study to the *Building Human Capital* discussion paper, and specifically concentrates on workforce issues for females in WA and across Australia. Given that participation rates for women are markedly lower than for men, there exists a significant opportunity to tap into this sector of the community as a means to bolster the state and national workforce.

It is clear that the level of female participation is affected by numerous factors - legislative, industrial and demographic - all of which have complexities which need to be understood if broad policy is to be developed.

This discussion paper explores the key trends and issues related to female workforce participation in Australia, with a particular focus on WA. It then sets out the key initiatives which would create an environment which is likely to encourage more women into the workforce.



## Executive Summary

Western Australia is currently in the midst of the greatest economic expansion in its history, on the back of China's unprecedented demand for our natural resources.

Such growth has brought about significant labour requirements. In its *Building Human Capital* discussion paper, CCI estimated that an additional 400,000 workers will be required in the WA economy over the next 10 years, if economic growth can be maintained at the average rate of growth experienced over the past six years. However, these additional labour requirements cannot be met on the basis of the current labour market, and population trends. In the absence of measures to grow the workforce sufficiently, it is estimated that there will be a shortfall of 150,000 workers in WA by 2017.

Boosting labour force participation is one of the key measures identified by CCI in its *Building Human Capital* discussion paper, to bolster the state's workforce, and ensure that WA meets its ongoing labour requirements. In particular, increasing labour force participation among females (particularly those of childbearing age, who are relatively under-represented in the workforce) is a critical strategy to boost overall participation rates.

While female labour force participation rates in WA and across Australia have risen considerably over time, (particularly among women between 45 and 64 years of age), they still remain lower than for males. Female participation rates in WA and across Australia also remain below that of 10 other OECD countries.

If labour force participation among females in WA were to increase to the average of the 10 OECD countries whose female participation rates are higher, this would lead to over 119,000 additional females being employed or looking for work in the state. Such an increase could potentially account for up to 80 per cent of the expected labour shortfall going forward. A similar increase in the participation rate nationally would lead to more than 1.3 million additional females participating in the labour force.

Clearly, there are a range of barriers which need to be addressed for such an increase in female labour force participation to be achieved. In a survey of employee's perceptions of issues related to the workforce, balancing work and family commitments, updating skills and gaining confidence were identified as significant issues for women returning to the workforce.

There are a range of strategies which could be used to boost the overall level of female workforce participation. While some of these, such as taxation and welfare schemes would be effective in boosting the overall participation rate, there are a



range of more gender-specific options which could prove effective in increasing the female participation rate in WA and across Australia. International experience also shows that the notably higher female participation rates in other developed countries are largely a reflection of the generous incentives and opportunities provided in these countries for women to return to the workforce.

Flexibility in the workplace has consistently been identified as the single most important measure to attract and retain female workers. Flexible arrangements would provide employees with more options as to when and how they complete their work, and provide greater opportunities for women to balance work and family responsibilities. Access to affordable, high quality child care is also crucial to allow working parents to balance their employment and family commitments.

There are also other strategies that can be implemented to encourage greater female workforce participation. Given that there is significant evidence to suggest that a paid parental leave scheme will benefit business, CCI supports the implementation of a government funded and administered scheme of paid parental leave be implemented. Life-cycle learning that facilitates the retention of skills and enables the retraining of older aged women will facilitate greater female participation and engagement with the labour market.

It is important to note that while there are a number of policy responses that government needs to consider to encourage greater female participation in the workforce, the business community also needs to adapt and change to the evolving labour market.



## Population Trends

In 2007, Australia had an estimated resident population of 21,059,351, representing an increase of 1.5 per cent on the previous year. Of this, WA accounts for around 10 per cent, with an estimated resident population of 2,112,667 in 2007, up 2.3 per cent from the previous year.

In terms of gender, the Australian population is relatively evenly split between males and females, with a gap of just 123,360 more females than males within the population. In WA, the gender split is also relatively even. However, WA has more males than females, with a sex ratio of 102 males per 100 females.

Similar to trends in the overall population, the female population in Australia is ageing. While around 21.6 per cent of the female population was aged between 30 and 44 years in 2007, the proportion of the female population aged 45 years and over has risen from 19 per cent in the 1920s, to around 39.2 per cent in 2007. Meanwhile, the share of the female populace aged 24 years or less has dropped from almost 42 per cent in the 1920s, to around 32.4 per cent in 2007.

In WA, there has been a similar ageing trend amongst the female population. The proportion of WA women aged 45 years and over has risen from 20.7 per cent in 1920, to 38 per cent in 2007. The share of the female population aged 24 years or less has also fallen from 49.1 per cent in 1920, to 33.3 per cent in 2007.

## Fertility Rates

Like most developed countries, Australia's fertility rate has declined steadily over the past few decades. This declining trend has also been experienced in WA. The causes of declining fertility are complex, and may include the ready availability of effective contraceptives, greater female participation in higher education and employment, people marrying later and starting families later, people choosing to remain childless, and rising divorce rates.

Rising living standards and higher levels of female educational attainment are also associated with lower fertility rates. In 2006, Australia's birth rate was 12.8 births per 1,000 of the mean population. This is markedly lower than in previous decades. Meanwhile, WA's birth rate in 2006 was higher than the national average, standing at 13.5 births per 1,000 of the mean population.

While birth rates in Australia of more than three times this rate were seen pre-1900, the subsequent depression and war laden years saw birth rates as low as 17 per 1,000. Birth rates in WA have generally remained above the national average, but also dropped to a low of around 19 per 1,000 in the war laden years.



The end of global hostilities in 1945 and a return to economic prosperity in the Western World brought with it an upsurge in birth rates. In Australia, there were approximately 23 births per 1,000 persons between 1946 and 1964, underpinning a 50 per cent rise in the nation's population from 7.5 million to 11 million. In WA, birth rates averaged 25.3 per 1,000 persons over this period, which saw the state's population rise from around 497,000 in 1946, to more than 808,000 in 1964.

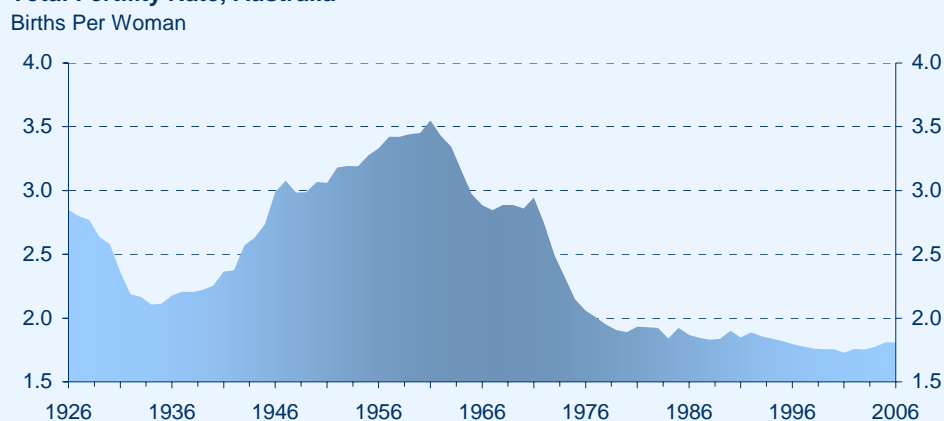
This trend signalled the emergence of the 'baby boomer' generation, and reflecting the high birth rate, the number of persons aged four years and under across Australia rose by an average of almost three per cent per annum between 1946 and 1964, compared to a growth rate of around 2.1 per cent across the remaining population.

The early 1960s saw Australia's rapid population growth begin to level out. Since then, birth rates have experienced a steady decline, falling to 12.7 births per 1000 persons in 2004. Over this period, the nation's birth rate averaged 16.3 births per 1000 persons. Birth rates in WA have also trended downwards from the 1960s, but generally remained above the national average. The state's birth rate has averaged 17 births per 1,000 over this period, with a low of 12.3 births per 1,000 persons experienced in 2002.

Fertility rates (the average number of babies per woman) have also trended downwards. After peaking at 3.5 babies per woman in 1961 at the height of the 'baby boom', Australia's fertility rate has been declining. The introduction of the oral contraceptive pill during the early 1960s saw the fertility rate drop and level out at around 2.9 babies per woman in the early 1970s, before falling to 2.1 in 1976 (Chart 1).

Similarly, fertility rates in WA have also declined following the peak of 3.7 births per woman attained during the 'baby boom'. Fertility rates across WA declined to an average of 2.3 births per woman during the 1970s, and have continued to fall thereafter.

**Chart 1**  
**Total Fertility Rate, Australia**  
Births Per Woman



Source: ABS Cat. No. 3105.0.65.001



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Chart 2

## Fertility Rate vs Female Participation Rates

Western Australia



Source: ABS Cat. No. 33010, 6202.0

The general decline in the fertility rate across Australia and in WA reflects the increasing number of women that chose to delay having children, and has also been reflected in the pick up in female labour force participation rates during these years. However, this trend has weakened to some extent, with female participation rates and fertility rates in WA both tracking upwards in recent years (Chart 2).

The fertility rate reached a low of 1.73 babies per woman in 2001, but after four decades of steadily decline, Australia's fertility rate has since started to rise, slowly increasing to 1.81 babies per woman in 2006, the highest rate in 10 years. A similar trend has been experienced in WA, with fertility rates bottoming out in 2002 at 1.7 births per woman. Since then, the state's fertility rate has picked up, reaching a 10 year high of 1.9 births per woman in 2006.

Importantly, Australia and WA have experienced fertility rates below replacement level since 1976. An insufficient number of babies born to a woman to replace herself and her partner over this time has played a large role in the emergence of the ageing population problem being tackled by both policy makers and academics alike.

Even though the fertility rate has risen to 1.81 children per female nationally and 1.9 births per woman in WA, it still remains short of the current replacement rate of around 2.1 babies per woman. Thus policies to cope with population decline and ageing other than those focused on the fertility rate must be developed (Chart 3).

**Finding:** Fertility rates across Australia and in WA are on a long term trend decline. While fertility rates have picked up in recent years, rates are still significantly below replacement rates, as they have been for the past 30 years.



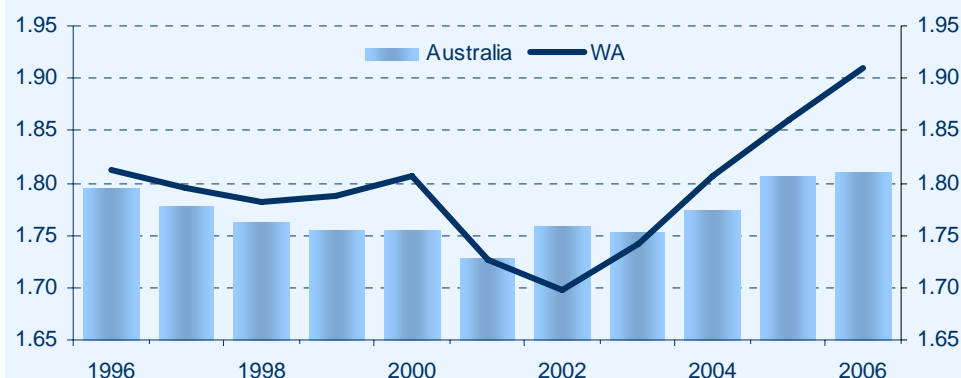
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Chart 3

## Total Fertility

Births Per Woman



Source: ABS Cat. No. 33010

## Social Trends

In line with the decline in fertility rates has been a considerable change in social trends in regards to family structures and education.

### Family Structures

A key change has been in relation to attitudes about marriage. While in the past, marriage and children were seen as the norm, the past three decades have seen a sharp decline in the rate of marriage, combined with a steady increase in the age with which people choose to marry.

In 2005, there were 109,000 new marriages registered in Australia – representing 5.4 marriages for every 1,000 persons in the population. This rate has declined in recent times, from 7.2 marriages per 1,000 persons almost 10 years previously. At the same time, the age at which people choose to marry has trended upwards. In 1986, the median age with which males married was 25.6 years, compared to 30 years in 2005. For females, the median age for marriage has risen from 23.5 years in 1986 to 28 years by 2005.<sup>1</sup>

At the same time, there has also been a notable increase in the number of lone parent families.<sup>2</sup> Of all families with children under than age of 15 years in 2004 to 2006, around 22 per cent were one-parent families, up from 14 per cent in 1986 to 1988. Of these lone parent families, around 87 per cent were likely to be headed by mothers.

**Finding:** Family structures in Australia have changed significantly in recent decades, with a sharp decline in the rate of marriage, and a steady increase in the age at which people choose to marry. There has also been a notable increase in the number of lone parent families.



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## Education

There has been a considerable shift in the education qualification profile of Australians, with the past decade generally seeing a substantial rise in the educational attainment of Australians.<sup>3</sup>

Australia's education profile varies significantly by gender, with males tending to have a higher level of educational attainment. Overall, some 55.9 per cent of Australian females held a non-school qualification in 2006, compared to 62.9 per cent of males. However, the proportion of females aged between 25 and 64 years of age with non-school qualifications has been trending upwards over the past decade, and has seen the traditional educational gap between males and females narrow significantly.

By age, younger women tended to have a higher level of educational attainment, with 64.1 per cent of women aged between 25 and 34 years of age holding a non-school qualification, compared to 42.4 per cent of females aged between 55 and 64 years.

The largest share of females with non-school qualifications held a bachelor degree. In 2006, around 24.8 per cent of females held a bachelor degree or higher, compared to 22.7 of males. In particular, 32.2 per cent of females aged between 25 and 34 held a bachelor degree qualification or higher, compared to 26.1 per cent of males in this age group. However, amongst older Australians aged between 55 and 64 years of age, a larger share of males (around 19.8 per cent) held a bachelor degree qualification, compared to 16 per cent of females. The proportion of females with advanced diploma and diploma qualifications was also higher than for males. Around 10.5 per cent of Australian women held an advanced diploma or diploma, compared to 7.9 per cent of males.

In contrast, a substantially lower share of females' non-school qualification was a Certificate I to IV<sup>4</sup>. Around 19.4 per cent of Australian females held this type of qualification, compared to 31 per cent of males. Of those females, the largest share (21.3 per cent) were between 35 and 44 years of age.

Interestingly, educational attainment tended to be lower among lone parents compared to partnered parents. In 2006, around 39 per cent of lone parents had left school prior to year 12 with no further qualifications, compared to 24 per cent of partnered parents. Meanwhile, around 12 per cent of lone parents had a bachelor level qualification, compared to 24 per cent of partnered parents.

***Finding: The educational attainment of Australians has increased markedly over the past decade. While males generally still have a higher level of educational attainment, the traditional educational gap between males and females has narrowed significantly over the past decade.***



# Labour Force Trends

## Labour Force Participation

The labour force generally tends to follow trends in the broader economy. As the national economy enters its 17<sup>th</sup> consecutive year of uninterrupted economic growth, trends in the female labour market across Australia have been similarly positive.

A key characteristic of the labour market in Australia has been the increased female labour force, underpinned by both strong population growth and increased participation. The past two decades have seen Australia's female labour force (those employed or looking for work) grow by almost 60 per cent (or 1.8 million persons), to 4.9 million in 2007. This has meant that the female labour force has recorded annual average growth of 2.4 per cent per annum over this period.

By contrast, the male labour force has increased by 29.3 per cent (or 1.4 million persons) over the same period, and now stands at six million. Overall, increased female workforce participation has been a major source of labour for the economy, accounting for around 57 per cent of the increase in the Australian labour force over the past two decades.

### Box 1: Workforce Participation of Mothers

The proportion of Australian mothers that are participating in the workforce has increased notably in recent times.

In 2006, the proportion of lone mothers participating in the labour force stood at 60 per cent, compared to 49 per cent in 1997. Meanwhile, the share of partnered mothers in the labour force has also increased to 66 per cent in 2006, up from 61 per cent in 1997.

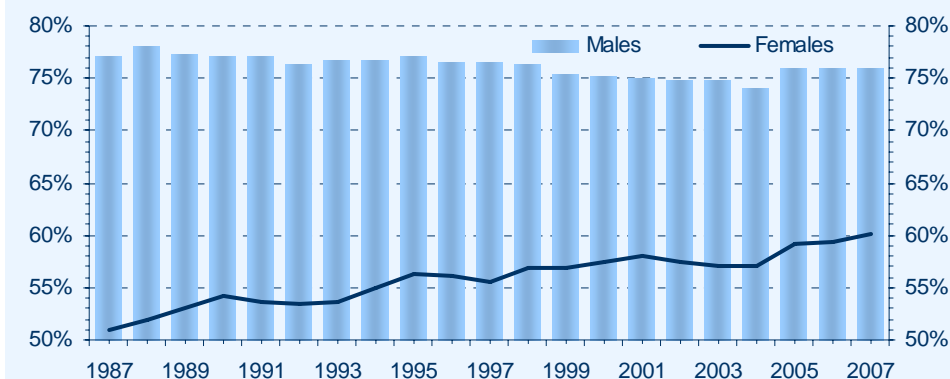
This increase largely reflects an increasing proportion of mothers in part time work. Around 23 per cent of lone mothers were employed on a part time basis in 1997, compared to 32 per cent in 2006. The share of partnered mothers in part time work rose at a slower pace, increasing from 34 per cent in 1997 to 39 per cent by 2006.

Not surprisingly, participation in full time employment is lower among lone mothers, with only 19 per cent employed on a full time basis in 2006, compared to 18 per cent in 1997. In contrast, 24 per cent of partnered mothers worked full time, up from 23 per cent in 1997.

Those not in the labour force accounted for 40 per cent of lone mothers and 34 per cent of partnered mothers.



**Chart 4**  
**Participation Rates, WA**  
 Male vs Female



Source: ABS Cat. No. 69210

Growth in the female labour force has been even stronger in WA. Over the past two decades, the state's female labour force has increased by almost 74 per cent (or 214,900 persons) - an annual average increase of 2.8 per cent.

This is the second highest rate of growth of all states, behind Queensland (with annual average growth of 3.6 per cent). This compares to the state's male labour force, which grew by 44 per cent (or 194,900) over this period. The relatively stronger growth in the female labour force has meant that women accounted for over half of the increase in the WA labour force over the past 20 years. By 2007, WA's female labour force stood at 506,600, representing around 10 per cent of the female labour force nationally.

With such strong labour market conditions, female participation in the labour force has been on the rise. In 2007, WA's average female participation rate stood at 60.2 per cent, up from 51 per cent 20 years previously (Chart 4). This is the second highest rate of all states and territories, behind Queensland (where female labour force participation stands at 60.6 per cent).

A similar upward trend has also been evidenced in female labour force participation across Australia, although it stands somewhat lower than in WA. By 2007, Australia's participation rate for women reached 57.9 per cent, compared to 48.9 per cent in 1987.

While female participation in the labour force has been on the rise over the past two decades, it still stands well below that of men. In 2007, the male participation rate stood at 75.9 per cent in WA and 72.3 per cent nationally.

Despite the increased levels of labour force participation amongst women, WA and Australia's female participation rates still lag behind many other developed countries (see International Comparisons of Female Labour Force Participation section).



Participation rates tend to vary considerably by age, reflecting the different stages in a person's life. Overall, the labour force participation amongst women follows an upward trend during the early working years, before stabilising somewhat during the prime working years (between 20 and 54 years), and then falling away towards the end of a person's working life.

A key trend in the participation rate for women is the downturn which occurs between 25 and 34 years of age. This downturn reflects a significant proportion of women exiting the labour force as they reach the primary childbearing years. However, labour force participation among women in this age group has actually increased substantially over the past 20 years.

While the female participation rate rebounds between the ages of 35 and 44, it still remains below the level for 20 to 24 year old women. This trend indicates that many women choose not to return to work after their primary child bearing years. The female participation rate picks up further between the ages of 45 and 54, although it still remains below the level experienced for the 20 to 24 years age cohort. In line with broader trends across the population, female participation declines sharply after the age of 55 years of age, as the end of the working life is reached.

Overall, female participation rates by age have altered considerably over the past two decades, with participation rising among all age cohorts, but particularly for women over 45 years of age. Interestingly, participation rates for women aged 15 to 19 years are now lower when compared to 20 years ago, presumably due to higher levels of educational attainment now achieved by women.

For males, the participation rates follow a similar general trend, rising during the early working years, stabilising through the prime working years, and declining as retirement age is approached.

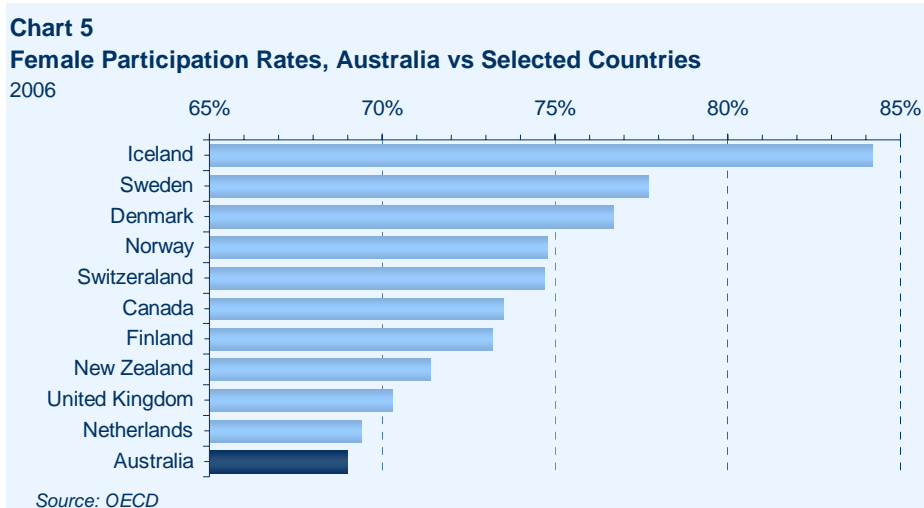
Overall, the rate of participation in the labour force amongst men is considerably higher than for females. The most distinct difference between participation for men and women is that male participation peaks between 25 and 34 years of age. In contrast to females, male participation has experienced a general declining trend over the past 20 years.



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## International Comparisons of Female Workforce Participation

Although significant improvements have been made in terms of encouraging Australian women into work in recent times, the female participation rate still lags behind many other developed countries. In 2006, Australia's workforce participation rate for women aged between 15 and 65 years of age stood at 69 per cent. While this was above the OECD average of 60.8 per cent, it remained below the participation rate of 10 other OECD countries (Chart 5).



Female workforce participation was highest among the Nordic countries. In 2006, Iceland recorded the highest rate of female participation of all OECD countries, at 84.2 per cent. Similarly high rates were also recorded in Sweden (77.7 per cent), Denmark (76.7 per cent), Finland (73.2 per cent), and Norway (74.8 per cent).<sup>5</sup>

However, Australia's rate of female workforce participation also fell behind a range of other OECD countries, including Switzerland (74.7 per cent), Canada (73.5 per cent), New Zealand (71.4 per cent), the United Kingdom (70.3 per cent), the Netherlands (69.4 per cent), and the United States (69.3 per cent).<sup>6</sup>

**Finding:** Female labour force participation in WA and across Australia has risen over time, with a notable increase in average participation rates particularly evident in recent years as the economy has strengthened. Female participation has been largely responsible for the overall increase in participation rates, although still remains lower than for males.

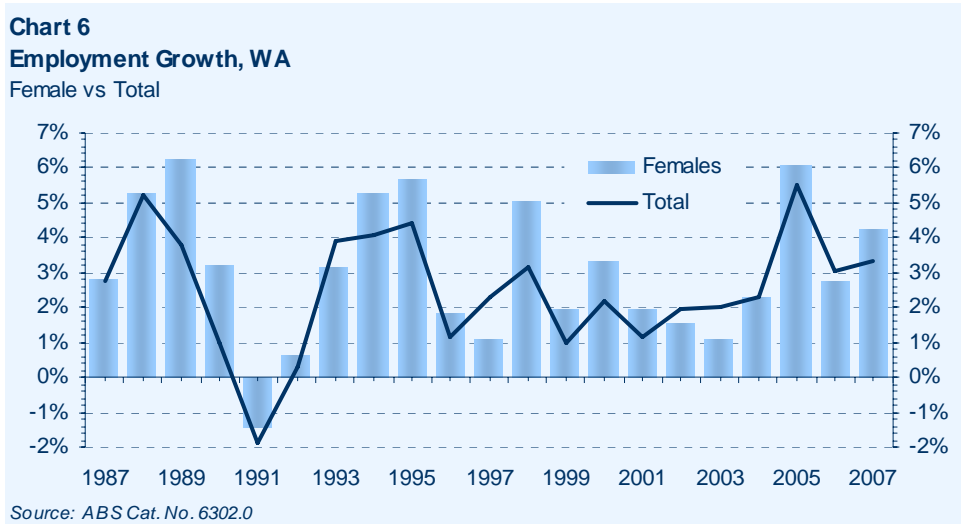
On average, participation rates have improved for women over time, with the most significant increases in participation for females between 45 and 64 years of age. Participation rates were found to be highest for women aged between 20 and 24, before experiencing a moderate decline during the primary child bearing years between 25 and 44 years of age



## Employment and Unemployment

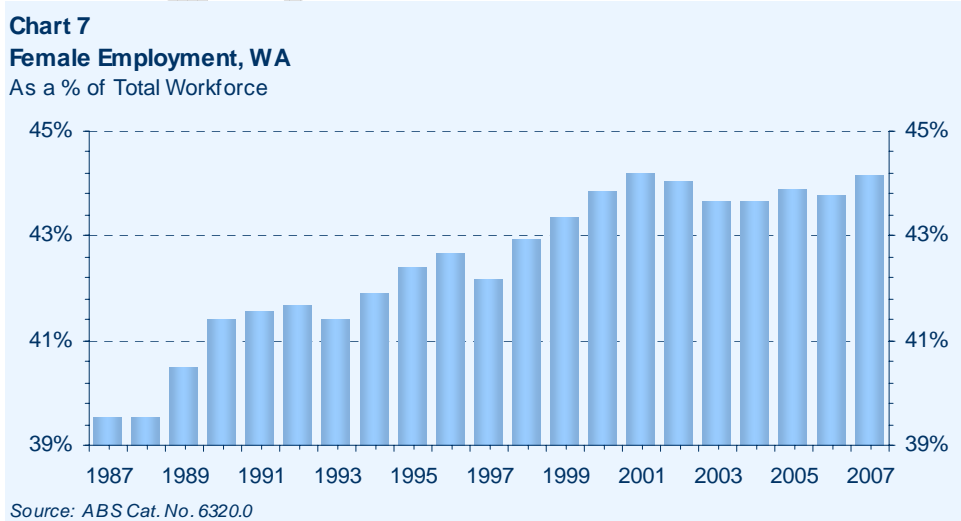
### Employment

The female labour market in WA has also been characterised by strong employment growth, with the state's female workforce growing on average by 3.1 per cent per annum over the past 20 years. This represents a net increase of 220,600 women employed over this period (Chart 6).



Female employment in WA has recorded stronger growth than for males over this period, where employment grew by 2.1 per cent per annum on average, with an additional 207,700 people employed. Overall, women accounted for over half of the increase in the state's total workforce over this period.

In total, around 488,900 women were employed in WA in 2007, accounting for around 44 per cent of the state's total workforce, compared to the 40 per cent share held 20 years previously (Chart 7).





Nationally, female employment has also grown strongly over the past two decades, albeit at a slower pace than in WA. Between 1987 and 2007, the female workforce across Australia has increased by 2.6 per cent per annum, with an additional 1.9 million women employed. Overall, there were around 4.7 million women employed across Australia in 2007.

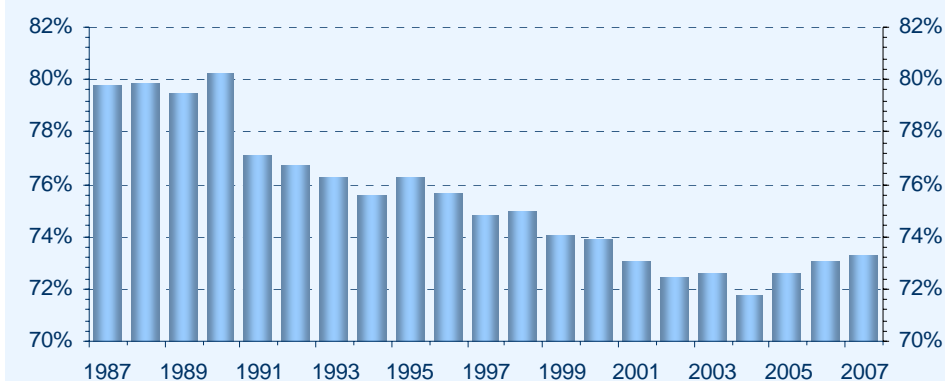
Similar to WA, employment growth amongst women across Australia has been stronger than the increase in the male workforce over the past two decades. Over this period, the male workforce grew on average by 1.5 per cent per annum, with an additional 1.5 million males employed.

Much of the increase in female employment both in WA and nationally has been due to the increased take up of part time positions. Part time employment amongst women in WA grew by 3.7 per cent per annum on average over the past two decades, with an additional 119,500 women employed in these types of positions. Overall, the increased take up of part time positions has accounted for more than half of the increase in female employment in WA over this period.

Nationally, part time employment amongst women grew on average by 3.3 per cent per annum over the past 20 years, representing a net 997,300 women employed in part time roles. The increase in part time employment has also accounted for over half of the increase in the female workforce nationally over this period.

Females have historically represented the largest proportion of the state's part time labour force, and this remains so today. More than 73 per cent of the part time workforce in WA in 2007 was women, although this share has fallen from almost 80 per cent 20 years previously. Similarly, women accounted for almost 71 per cent of the part time workforce across Australia, compared to 79 per cent in 1987 (Chart 8).

**Chart 8**  
**Part Time Employment, WA**  
Females, as a % of Total Part Time Workers



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While the number of females employed across Australia has increased over the past two decades, the average number of hours worked per week by women has actually declined. In 2007, Australian women worked an average 27.4 hours per week, down from the average of 28.5 hours per week worked in 1987. This is considerably lower than the average of 36.9 hours per week worked by Australian males in 2007 (which has also declined from 39.2 hours in 1987).

This decline reflects in part a fall in the average weekly hours worked by full time females and males. In 2007, full time females worked an average of 36.5 hours per week, down from 37.1 hours per week in 1987. Meanwhile, full time males worked an average of 40.5 hours per week in 2007, compared to the 41 hours per week average in 1987.

At the same time, the average number of hours worked by part time employees has risen over the past 20 years. In 2007, part time females and males both worked an average of 16 hours per week, up from 14.9 hours for both genders in 1987.

Employment differs not only by gender, but also by age. Across Australia, broad trends in female employment show that employment is highest during the middle years between 25 years and 54 years, with its peak between 35 and 44 years of age. A similar trend is evident among men, with employment also peaking between 35 and 44 years of age. This trend has remained largely unchanged over the past 20 years.

### **Unemployment**

The sustained growth in the WA economy has resulted in lower unemployment among women. In 2007, there were 5,700 fewer unemployed females in WA, than in 1987. This compares to male unemployment, which has declined by 12,800 over this period. Overall, females have accounted for over 30 per cent of the fall in unemployment in WA over the past two decades.

At the same time, the female unemployment rate in WA has halved, falling progressively from eight per cent in 1987, to 3.5 per cent in 2007. By comparison, the unemployment rate for WA men fell from 7.2 per cent in 1987 to three per cent in 2007 (Chart 9).

A similar declining trend has also been experienced across Australia during the past two decades, with the number of unemployed women nationally falling by 20,900. This compared to male unemployment, which fell by 113,500 over this period. Females have accounted for over 15 per cent of the fall in the number of unemployed persons across Australia over this period.

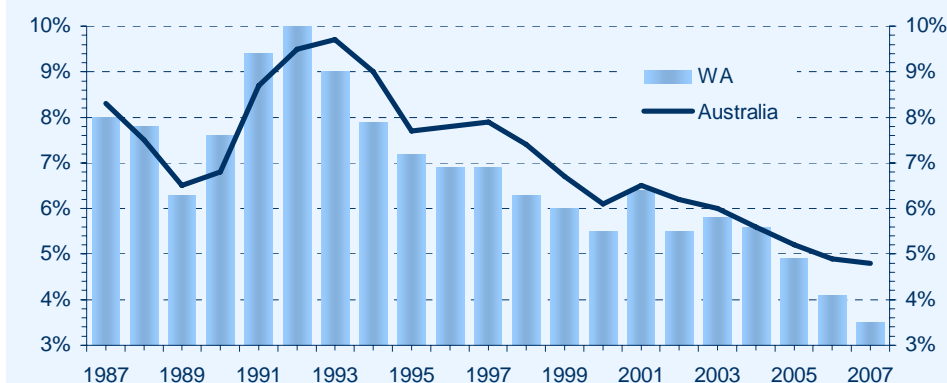
The female unemployment rate across Australia has also progressively declined from 8.3 per cent in 1987, to 4.8 per cent in 2007. This compares to the male



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**Chart 9**  
**Female Unemployment Rate**

WA and Australia



Source: ABS Cat. No. 6302.0

unemployment rate, which has fallen from 7.7 per cent in 1987, to four per cent in 2007.

Unemployment also varies by age. Across Australia, female unemployment was most common in the middle years between 25 and 54, and peaks between 25 and 34 years of age. This trend was similar for males, with unemployment also peaking between 25 and 34 years of age, however, the fall in unemployment thereafter was considerably sharper for males.

The average duration of female unemployment across Australia has also fallen in recent years. In 2007, women remained unemployed for an average of 31.2 weeks, compared to 41.5 weeks in 2002. Interestingly, this was lower than the average duration of unemployment for males, which stood at 38.1 weeks in 2007 (down from 53.8 weeks in 2002).

The duration of unemployment for females appears to increase in line with age. In 2007, the average duration of unemployment for females was lowest among the 15 to 19 year age cohort, lasting 16.5 weeks on average. Thereafter, the duration of unemployment rose to 24.2 weeks for women aged 20 to 24 years, while the average duration of employment was 30.7 weeks for women aged between 25 and 34 years. Interestingly, unmarried women tended to be unemployed for longer, with the duration of unemployment averaging 34.7 weeks, compared to 25.1 weeks on average in married women.

Overall, these trends have remained largely unchanged since 2002, and are also similar for men.

### Underemployment

A considerable proportion of the workforce is also underemployed. These include the working part time who wish to work full time, or more hours on a part time



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basis. Underemployed workers are an important component of underutilised labour resources in an economy, capturing a dimension of such resources not available from the unemployment rate alone.

Underemployment among females has declined in recent years. Of the total number of female part time workers in September 2007, 17 per cent (or 368,900) would prefer to work more hours, which is largely unchanged from a year previously. Around half of all part time females who would prefer more hours would rather work full time, compared to 72 per cent of men.

A similar trend has been experienced among underemployed part time females. Underemployed part time workers are those who usually work less than 35 hours per week, and would prefer to, and are available to work additional hours. In September 2007, women made up 64 per cent of underemployed part time workers, compared with 61 per cent a year ago.

***Finding:** Labour market conditions across Australia have improved considerably over the past 15 years, as a result of the sustained period of economic growth. This has seen female employment grow considerably, and the female unemployment rate steadily decline. Such improvements have been mirrored in Western Australia. As a result, females have accounted for a considerable proportion of the increase in overall employment.*

*A key trend amongst the female labour force has been the increased part time employment.*

*While the unemployment rate continues to fall, there is still a considerable proportion of the female labour force which is underemployed.*

## Industry Workforce Trends

The industry characteristics of WA's workforce continue to evolve as the economy more generally restructures and diversifies. This has provided many opportunities for women in the workforce.

In terms of employment, the services industry is by far the state's largest sector and largest employer of women - accounting for over 88 per cent of the female workforce in WA in 2007 (Table 1).

This is marginally higher than in 1997, when the services sector represented 85.6 per cent of WA's female workforce. The services sector includes retail trade, wholesale trade, accommodation, cafes and restaurants, transport and storage, communications, finance and insurance, property and business services, education, health and community services, cultural and recreational services, and personal and other services.



**Table 1**  
**Employment by Industry, WA**  
**1997 and 2007, % of Total**

|                                       | Males |      | Females |      |
|---------------------------------------|-------|------|---------|------|
|                                       | 1997  | 2007 | 1997    | 2007 |
|                                       | %     | %    | %       | %    |
| Retail Trade                          | 12.6  | 11.2 | 17.6    | 17.2 |
| Health and Community Services         | 3.6   | 3.8  | 16.8    | 16.2 |
| Property and Business Services        | 10.4  | 12.6 | 11.4    | 11.8 |
| Education                             | 4.0   | 3.8  | 11.0    | 10.6 |
| Government Administration and Defence | 3.5   | 3.8  | 3.2     | 5.3  |
| Accommodation, Cafes and Restaurants  | 3.0   | 2.9  | 6.3     | 5.8  |
| Manufacturing                         | 13.3  | 12.0 | 5.3     | 4.9  |
| Personal and Other Services           | 3.7   | 3.6  | 5.1     | 4.0  |
| Cultural and Recreational Services    | 2.3   | 2.2  | 2.9     | 6.8  |
| Finance and Insurance                 | 2.0   | 1.9  | 3.9     | 3.8  |
| Construction                          | 12.9  | 15.9 | 3.3     | 2.9  |
| Agriculture, Forestry and Fishing     | 6.8   | 5.0  | 4.3     | 2.7  |
| Wholesale Trade                       | 7.6   | 5.4  | 4.1     | 2.5  |
| Mining                                | 5.2   | 6.7  | 1.2     | 2.0  |
| Transport and Storage                 | 5.6   | 5.7  | 2.4     | 2.4  |
| Communication Services                | 2.2   | 1.9  | 1.0     | 0.9  |
| Electricity, Gas and Water Supply     | 1.2   | 1.6  | 0.2     | 0.4  |

Source: ABS Cat No.6291.0

The largest industry within the services classification is retail trade, which accounted for 17.2 per cent of female employment in WA in 2007, compared to 11.4 per cent of men. In total, there were around 85,475 women employed in retail trade in 2007, which is up from 63,650 in 1997 – representing an increase of 21,825 female workers employed in the sector. However, stronger growth in other industries has meant that retail trade's contribution to total female employment in WA has actually declined from the 17.6 per cent share held in 1997. Overall, the gender balance in the WA retail sector in 2007 was relatively even.

In contrast, health and community services is a female dominated industry. It also represents a significant proportion of female employment in WA, with 16.2 per cent of the female workforce employed in this sector in 2007. This proportion has remained relatively unchanged from the 16.8 per cent share held in 1997. In contrast, only 3.8 per cent of the male workforce in WA is employed in this sector (Chart 10).

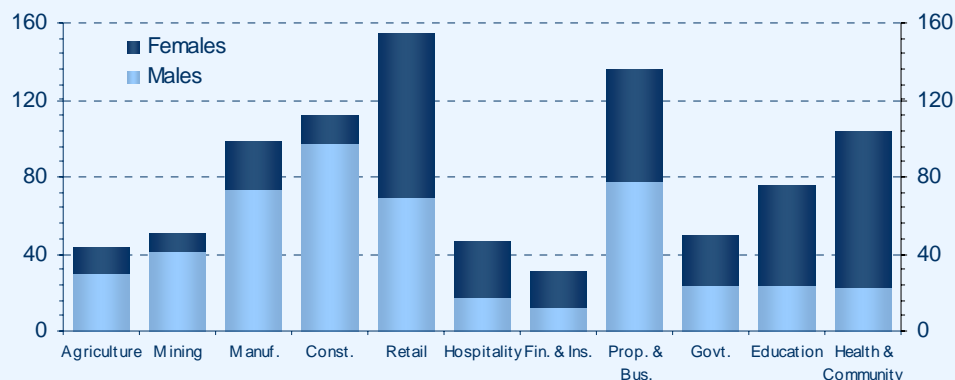
There were some 80,600 WA women employed in the health and community services sector in 2007, up by 19,900 since 1997. Overall, females represent more than 77 per cent of all workers employed in this sector in WA in 2007.



**Chart 10**

**Employment by Selected Industry, WA, 2007**

Females vs Males, in '000s



Source: ABS Cat. No. 6202.0

Property and business services is also a key employer of WA women. The ABS states that property services include property operators and developers, real estate agents, non-financial asset investors and machinery and equipment hiring and leasing. Meanwhile, business services are identified as scientific research, technical services, computer services, legal and accounting services and marketing and business services.

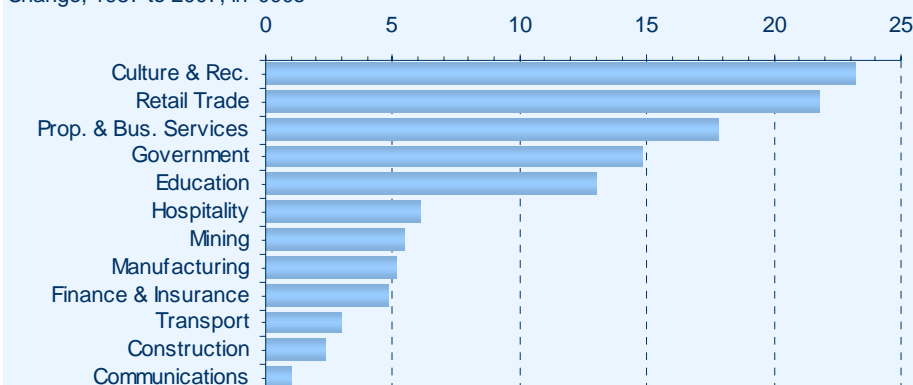
Property and business services accounted for 11.8 per cent of female employment in the state in 2007, compared to 10.4 per cent a decade previously (Chart 11). Overall, some 58,900 women were employed in this sector in 2007. Nonetheless, males still have a slightly higher representation in this industry, accounting for around 57 per cent of the WA property and business services workforce in 2007.

One of the most notable change in industry structure of the female workforce in WA has been the increased importance of the government administration and defence sector. Since 1997, the number of WA women employed in this sector has more than doubled, with an additional 14,800 women have employment in this sector. Government and administration accounted for 5.3 per cent of the female

**Chart 11**

**Female Employment by Industry, WA**

Change, 1987 to 2007, in '000s



Source: ABS Cat. 62910



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workforce in 2007, up from the 3.2 per cent share held just 10 years previously. However, the gender divide in this sector remains fairly balanced.

Another key change in the occupation structure of the state's female workforce has been the increased importance of the culture and recreational services sector. Female employment in this sector has grown by around 23,150 persons between 1997 and 2007. This has seen the sector's share of the female workforce also rise from 2.9 per cent in 1997, to 6.8 per cent by 2007.

Overall, female employment in most sectors has also experienced strong growth over the 10 years to 2007, with the exception of agriculture, forestry and fishing (when female employment fell by 2,225) and wholesale trade (where female employment fell by 2,525).

The services industry is also the largest employer of women nationally, with around 88.6 per cent of the female workforce across Australia employed in this industry in 2007. This is up from the 85.4 per cent share of the female workforce held 10 years previously. The largest individual employer of women across Australia was health and community services, which represented around 18.4 per cent of the female workforce in 2007, compared to 16.6 per cent in 1997 (Table 2).

**Table 2**  
**Employment by Industry, Australia**  
**1997 and 2007, % of Total**

|                                       | Males |      | Females |      |
|---------------------------------------|-------|------|---------|------|
|                                       | 1997  | 2007 | 1997    | 2007 |
|                                       | %     | %    | %       | %    |
| Retail Trade                          | 12.7  | 12.5 | 17.3    | 17.3 |
| Health and Community Services         | 3.7   | 3.9  | 16.8    | 16.2 |
| Property and Business Services        | 10.0  | 11.9 | 10.5    | 12.0 |
| Education                             | 4.1   | 4.2  | 10.5    | 10.7 |
| Government Administration and Defence | 4.1   | 4.0  | 4.4     | 5.4  |
| Accommodation, Cafes and Restaurants  | 3.8   | 4.0  | 6.2     | 6.1  |
| Manufacturing                         | 17.5  | 13.9 | 8.4     | 5.4  |
| Personal and Other Services           | 3.7   | 3.4  | 4.0     | 4.3  |
| Cultural and Recreational Services    | 1.9   | 2.5  | 4.4     | 4.4  |
| Finance and Insurance                 | 2.9   | 3.4  | 4.8     | 4.4  |
| Construction                          | 10.6  | 14.5 | 2.2     | 2.4  |
| Agriculture, Forestry and Fishing     | 6.3   | 4.3  | 3.6     | 2.5  |
| Wholesale Trade                       | 7.1   | 5.9  | 3.6     | 2.4  |
| Mining                                | 1.5   | 2.1  | 0.2     | 0.4  |
| Transport and Storage                 | 6.4   | 6.4  | 2.5     | 2.6  |
| Communication Services                | 2.3   | 2.2  | 1.4     | 1.3  |
| Electricity, Gas and Water Supply     | 1.2   | 1.2  | 0.2     | 0.4  |

Source: ABS Cat No.6291.0





In contrast, only 3.9 per cent of the male workforce across Australia was employed in the health and community services sector in 2007. There were around 864,425 women employed in the health and community services sector across Australia in 2007, representing an increase of 260,425 from 10 years previously.

Retail trade is also a major employer of women nationally, accounting for 17.3 per cent of the female workforce in 2007. However, stronger growth in other sectors has meant that this proportion remained unchanged from in 1997. Nonetheless, the retail sector employed around 810,175 women in 2007 - an increase of 181,950 over the past decade. By comparison, only 12.5 per cent of the male workforce was employed in retail trade in 2007.

The property and business services sector is also a major employer of Australian women, and has accounted for an increasing share of the female workforce over the past 10 years. In 2007, the property and business services sector employed around 582,575 women nationally, and represented 12 per cent of the female workforce. This is up from the 10.5 per cent share held in 1997 - representing an additional 182,900 women employed in this sector. Such trends have been similarly evident amongst the male workforce, with 11.9 per cent of men across Australia employed in the property and business services sector in 2007 (up from 10 per cent in 1997).

***Finding:** Collectively, the services industries employ the most females, and have exhibited strong growth in recent years. Retail trade, and health and community services are the largest employers of women both in WA and across Australia.*

*A key trend in the female workforce in WA has been the increased importance of the government administration and defence sector as an employer of women.*

## **Occupation Trends**

As the WA and national economies have become more service oriented over time, this has necessarily required an increase in the types of occupations which are of a service nature. One of the most notable changes over the past 10 years has been the increased number of females in professional roles.<sup>i</sup>

<sup>i</sup> According to the ABS, professionals “perform analytical, conceptual and creative tasks through the application of theoretical knowledge and experience in the fields of the arts, media, business, design, engineering, the physical and life sciences, transport, education, health, information and communication technology, the law, social sciences and social welfare.”



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**Table 3**  
**Female Employment by Occupation**  
**1997 & 2007, % of Total**

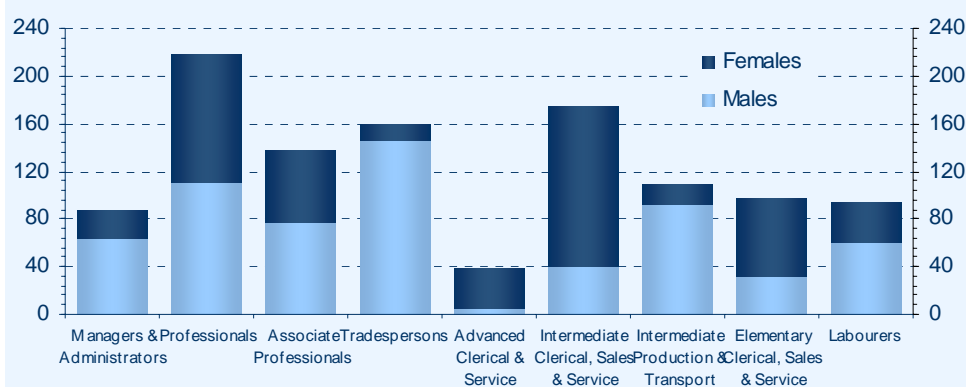
|  | WA   |      | Australia |      |
|--|------|------|-----------|------|
|  | 1997 | 2007 | 1997      | 2007 |
|  | %    | %    | %         | %    |
| Managers and Administrators                    | 4.2  | 4.6  | 4.2       | 5.2  |
| Professionals                                  | 16.5 | 21.8 | 19.6      | 22.8 |
| Associate Professionals                        | 9.9  | 12.4 | 9.1       | 12.7 |
| Tradespersons & Related Workers                | 5.2  | 2.8  | 3.0       | 3.0  |
| Advanced Clerical and Service Workers          | 10.6 | 6.9  | 9.4       | 7.4  |
| Intermediate Clerical, Sales & Service Workers | 25.4 | 27.5 | 27.6      | 26.4 |
| Intermediate Production & Transport Workers    | 3.5  | 3.5  | 3.0       | 2.7  |
| Elementary Clerical, Sales & Service Workers   | 15.4 | 13.4 | 15.4      | 13.5 |
| Labourers & Related Workers                    | 9.2  | 7.0  | 8.6       | 6.5  |

Source: ABS Cat No.6291.0

Since 1997, the number of female professionals in WA has increased by almost 75 per cent, representing a net increase of 45,750 such workers in the state. Professionals now represent the second largest occupation type among WA women (with 106,925 women employed in this type of role), accounting for 21.8 per cent of the female workforce in 2007, compared to the 16.5 per cent share held 10 years previously (Table 3). Overall, the gender divide in the professionals occupation category is now relatively even (Chart 12).

A similar trend was also experienced nationally, with the number of females in professional roles increasing by 50.3 per cent between 1997 and 2007, representing an increase of 357,500 jobs over this period. There are now over one million women in Australia employed in professional roles. Professionals

**Chart 12**  
**Employment by Occupation Category, WA, 2007**  
Females vs Males, in '000s



Source: ABS Cat. No. 6202.0



also represent the second largest occupation type among women nationally, accounting for a slightly higher 22.8 per cent of the female workforce in 2007, up from the 19.6 per cent share held in 1997.

The changing skills requirements of the economy over the past 10 years has also resulted in a substantial increase in the number of females in intermediate clerical, sales and service roles.<sup>ii</sup> Overall, this occupation category has a large representation of females.

In 2007, there were some 134,550 women employed in these types of roles in WA, up 43 per cent from 10 years ago. This represents an additional 40,580 women employed in these types of occupations over this period. In 2007, intermediate clerical, sales and service workers represented the largest occupation type among WA women, accounting for around 27.5 per cent of the female workforce. This proportion has risen over the past 10 years, from the 25.4 per cent share held in 1997.

Across Australia, the number of women employed in intermediate clerical, sales and service roles has also increased. In the 10 years to 2007, an additional 233,575 women have been employed in these types of occupations in Australia. Intermediate clerical, sales and services also represent the largest occupation type amongst women nationally, with around 1.2 million women across Australia employed in these types of roles. Around 26.4 per cent of the female workforce is employed in this occupation type in 2007, although this is down from the 27.6 per cent share held in 1997.

A similar trend has also been evidenced among associate professionals.<sup>iii</sup> Associate professionals accounted for 12.4 per cent of the state's female workforce

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<sup>ii</sup> The ABS defines intermediate clerical workers as those "which produce documents, record information, operate office equipment and perform associated office duties." Meanwhile, intermediate sales workers are defined as those "who sell services to businesses and goods to retail and wholesale establishments, sell motor vehicles and motor vehicle accessories or supervise and coordinate staff in retail establishments." Intermediate service workers are those which "provide basic child care and other services to individuals for the enhancement of their education, health, welfare and comfort, and provide services to patrons of hotels, restaurants and similar establishments."

<sup>iii</sup> According to the ABS, associate professionals "perform complex technical and administrative support functions which require an understanding of the underlying theories and methods of a particular field and significant practical skills." Associate professionals are also often involved with tasks that support professionals.



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in 2007 (compared to 9.9 per cent in 1997). There were around 66,700 WA females in associate professional roles in 2007, representing an increase of 24,380 over the past 10 years. Nationally, associate professionals represent 12.7 per cent of the female workforce (or 595,150). This is up from the 9.1 per cent share held in 1997, with an additional 264,175 women employed in this occupation type over this period.

Another key trend has been the increased number of women in management and administration positions, both in WA and across Australia. According to the ABS, managers are involved with “planning, organising, directing, controlling, coordinating and reviewing the operations of government, commercial, agricultural, industrial, non-profit and other organisations, and departments.”

In 2007, around 22,475 women in WA are employed in management and administration, an increase of 7,000 over the past 10 years. Meanwhile, around 244,575 women across Australia were employed in management and administration, an increase of 92,350 from 1997. In percentage terms, women in management and administration have grown strongly compared to other occupation categories both in WA and across Australia. The number of women employed in management and administration roles has increased by 45 per cent in WA, and 60.7 per cent across Australia over this period.

While the number of women in management has been on the rise over the past decade, this occupation category is still generally male-dominated. Management and administration still represents a small proportion of the female workforce in 2007, with only 4.6 per cent of women in WA, and 5.2 per cent of women nationally represented by this occupation category (although this was up from 4.2 per cent in WA and Australia respectively).

Elementary clerical, sales and service occupations<sup>iv</sup> also represent for a large proportion of the female workforce in both in WA and across Australia. In 2007, elementary clerical, sales and service workers accounted for 13.4 per cent of the female workforce in WA (or 65,425 workers), and 13.5 per cent (or 631,525 workers) nationally. However, this proportion has actually declined from the 15.4 per cent share held in both WA and nationally in 1997.

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<sup>iv</sup> The ABS states that elementary clerks “receive, process and send mail, documents and information, operate telecommunication switchboards, and receive and process bets.” Elementary sales workers sell goods and services in retail and wholesale establishments, operate checkouts and perform routine financial transactions in retail, entertainment and office environments. Meanwhile, elementary service workers provide basic services in relation to security, entertainment and personal and domestic needs.



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By contrast, the total numbers of women employed in advanced clerical and service occupations in WA and nationally, and as a percentage of the female workforce has actually declined between 1997 and 2007. According to the ABS, advanced clerical and service workers “perform a range of complex organisational, administrative, service and liaison tasks requiring a degree of independence, discretion, and judgement.”

The proportion of advanced clerical and service workers in WA has fallen from 10.6 per cent in 1997, to 6.9 per cent in 2007, with a fall of 5,330 women employed in these occupations. Nonetheless, females represent by far the largest proportion of workers in this occupation category. Nationally, advanced clerical and services workers represent 7.4 per cent of the female workforce in 2007, down from 9.4 per cent in 1997. However, the number of female workers in this occupation category still increased by 2,725.

***Finding:** As the WA and national economies have evolved to become more services orientated, this has seen an increase in the need for occupations such as professionals, clerical, sales and services jobs, and associate professionals. Women have been well placed to fill these additional roles. These occupations have generally represented a higher proportion of the female workforce in 2007, compared to 1997.*

## **Wages**

While the strong labour market conditions are likely to have encouraged greater female participation in the labour force in recent years, perhaps another key factor is likely to have been the growth in female wages.

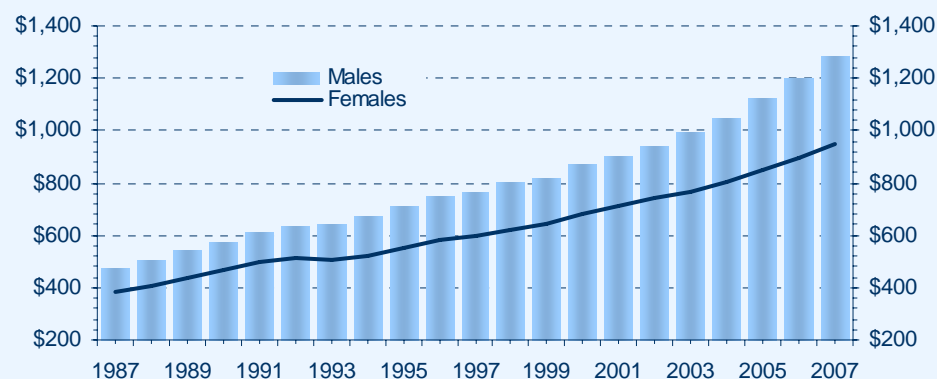
In 2007, average weekly ordinary time earning of women in WA stood at \$947.90 – almost 60 per cent higher than 10 years ago. In dollar terms, this represents an increase of \$352.40 above 1997 levels. Currently, average weekly ordinary time earnings for women in WA are even higher, standing at \$992.70 in March 2008 (Chart 13). This is the third highest of all states, behind New South Wales (\$1,039.50), and Victoria (\$992.80).

Nationally, female wages have also trended upwards over the past decade. In 2007, average weekly ordinary time earnings for women across Australia stood at \$974.90, almost 63 per cent (or \$351) higher than 10 years previously. More recently, female average weekly ordinary time earnings nationally stood at \$1,003.20 in March 2008.



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**Chart 13**  
**Average Weekly Ordinary Time Earnings, WA**  
 Male vs Female



Source: ABS Cat. No. 6302.0

While the past decade has seen a substantial rise in average weekly earnings for women in WA and across Australia, male average weekly earnings are higher. In 2007, average weekly ordinary time earnings for males stood at \$1,228.20 in WA, and \$1,161.30 nationally. In addition, the gap between male and female remuneration has also widened over time. In 2007, average weekly ordinary time earnings for WA men are around \$340.30 higher than for women. This compares to 10 years previously, when male average weekly ordinary time earnings were \$170.90 higher than for women. In percentage terms, men in WA are now earning 35.9 per cent higher than women, compared to 28.6 per cent 10 years ago.

Across Australia, the average weekly ordinary time earnings for men stood \$186.40 higher than for women in 2007. This compares to 10 years previously, when average weekly ordinary time earnings were \$123.60 higher for men than for women. In percentage terms, the gap has remained relatively constant, with men earning 19.1 per cent higher than women in 2007, compared to 19.8 per cent in 1997.

By industry, females in the mining industry are the most highly paid. In 2007, the average weekly ordinary time earnings of women in the mining industry across Australia was \$1,420.30, although this was still lower than the \$1,826.10 for men. The mining industry has experienced the strongest growth in wages over the past 10 years, with average weekly ordinary time earnings for women in this industry standing 78.8 per cent (or \$626) higher by 2007.

Women in the education industry were the next highest paid. In 2007, average weekly ordinary time earnings for women in education were \$1,139.60, which is 52.1 per cent (or \$390.40) higher than in 1997. However, this was still 12 per cent lower than the \$1,294.10 per week on average earned by males in the industry.



Average weekly ordinary time earnings were lowest for women employed in the retail trade sector, standing at \$783.40. Over the past decade, this has grown by around 57.2 per cent (or \$285.20).

Perhaps the largest discrepancy between males and female earnings was in the finance and insurance sector. In 2007, men employed in this sector received \$1,659.40 on average per week – the second highest of any industry. In contrast, females employed in this sector received average weekly earnings of \$1,085.10. Overall, this represents a difference of \$574.30 or 34 per cent.

There are several explanations for the variation between male and female wages. Overall, much of the difference can be explained by the differences in occupations. In general, a higher proportion of males tend to be employed in management and more senior positions, which are afforded higher remuneration. Similarly, males also generally tend to dominate some of the higher paying industries, such as mining, finance and insurance, and construction.

***Finding:** Growth in the earning potential for women is also likely to have encouraged greater female participation in the workforce, with the average weekly ordinary time earnings for women in WA and across Australia increasing substantially in recent years.*

*However, earnings among women still remain considerably lower than for men, largely due to the higher proportion of men in management and senior roles, as well as in higher paying industries such as mining, finance and insurance, and construction.*



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# Employer Perceptions

## Survey of Business Expectations

Employer perceptions of female workforce issues were gauged in the December quarter 2007 *Commonwealth Bank – CCI Survey of Business Expectations*. The survey canvassed the views of around 350 businesses, of all sizes, operating in the production, distribution, manufacturing and services sectors. The survey's feature question determined the extent to which women are currently employed in the workplace, and sought businesses views on potential measures to encourage greater female participation in the workforce. The feature questions also identified measures that businesses are currently using to address this issue.

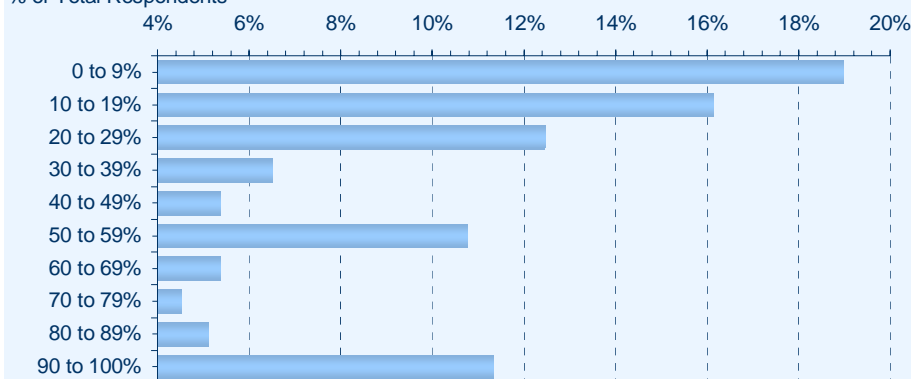
In terms of the female representation in the workforce, the results were somewhat mixed. The findings show that women generally represent a small proportion of the total workforce, with almost 47 per cent of respondents indicating that less than 30 per cent of their workforce is female. The largest proportion of respondents (around 19 per cent) indicated that women represent less than 10 per cent of their total workforce, while a further 16 per cent indicated that women accounted for between 10 and 19 per cent of their workforce. In contrast, females account for between 90 and 100 per cent of the workforce in 11 per cent of businesses surveyed (Chart 14).

Such trends are likely the result of the sectors in which the respondents operate in. In this regard, the survey found that female employment was highest within the services sector, with over 29 per cent of respondents from this sector indicating that women account for between 90 and 100 per cent of their workforce. Meanwhile, only 18 per cent of respondents from the services sector indicated that less than half of their workforce is female. By comparison, over 36 per cent of respondents from the production sector (which encompasses the mining, manufacturing, construction, agriculture and utilities industries) indicated that less

**Chart 14**

### Proportion of Women in Workforce

% of Total Respondents



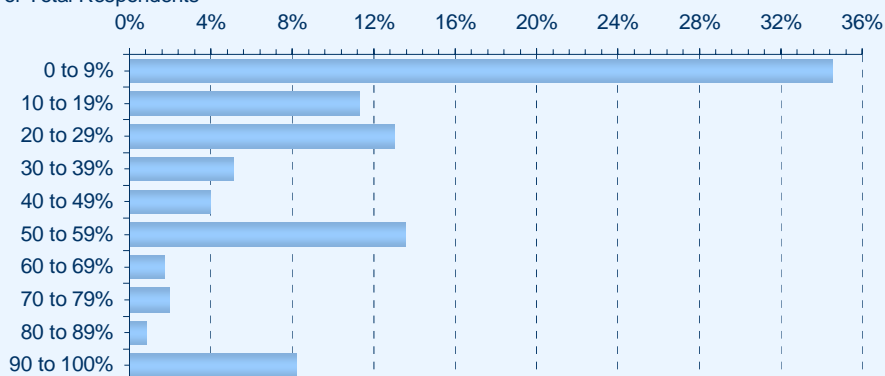
Source: Commonwealth Bank - CCI Survey of Business Expectations



**Chart 15**

**Proportion of Women in Senior Management**

% of Total Respondents



Source: Commonwealth Bank - CCI Survey of Business Expectations

than 10 per cent of their workforces are women. Similarly, around 26 per cent of manufacturing respondents, and 13 per cent of distribution respondents indicated that less than 10 per cent of their workforce is female.

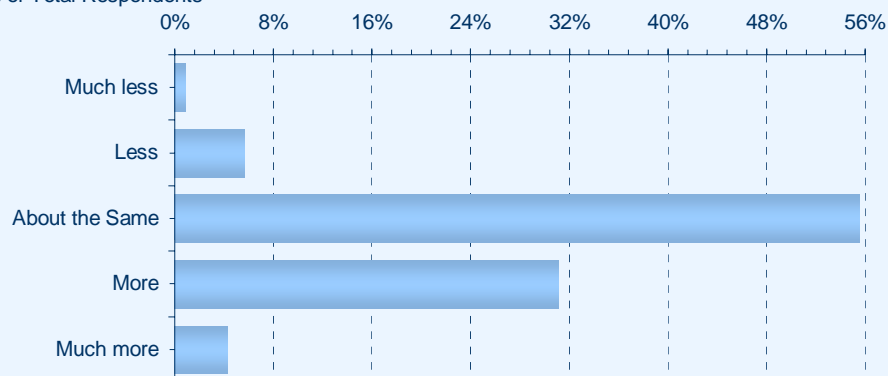
By occupation, the results of the survey found that women accounted for a relatively small proportion of senior management and professional positions. Some 68 per cent of respondents said that less than half of their senior management and professional workforce are females, with almost 35 per cent indicating that women are represented in less than 10 per cent of these roles (Chart 15). In general, a greater proportion of females occupied management and senior positions in small businesses, and those operating in the services industry. Of those women employed in senior positions, the majority appear to be employed on a full time basis. Almost 63 per cent of respondents indicated that less than 10 per cent of female senior managers and professionals are employed part time.

Despite women accounting for a relatively small proportion of the workforce, the results also show that female employment has been on the rise in recent years. Almost 94 per cent of respondents deemed that the proportion of the workforce

**Chart 16**

**Proportion of Female Workers Compared to Five Years Ago**

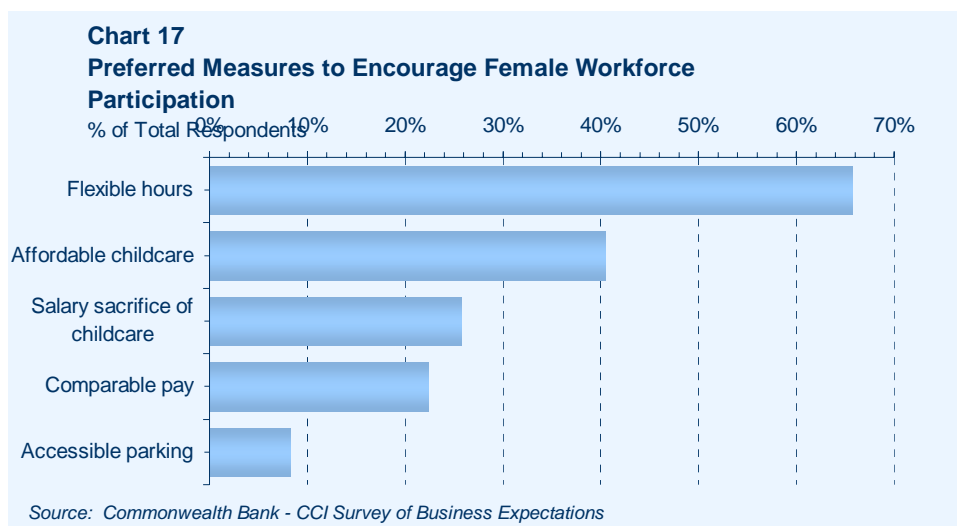
% of Total Respondents



Source: Commonwealth Bank - CCI Survey of Business Expectations



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that is female has remained at a similar level, or increased, over the past five years (Chart 16).

When asked what measures would encourage greater female participation in the workforce, respondents indicated a preference towards flexible working arrangements, with almost two thirds of businesses surveyed identifying this measure (Chart 17). While flexible working hours were favoured by businesses of all sizes and operating across all sectors, larger businesses in particular preferred this option, with over 95 per cent indicating that this measure would encourage greater female participation.

Affordable childcare was the next most popular option, and was identified by 40 per cent of businesses surveyed. This measure was popular among respondents from the services industry, with over half indicating a preference for this measure. Meanwhile, some 44 per cent of medium sized businesses, and 57 per cent of large businesses, also indicated affordable childcare would encourage greater female participation in the workforce.

Other strategies to encourage female participation in the workforce included salary sacrifice of childcare expenses (identified by 26 per cent of respondents), and comparable pay (identified by 22 per cent of respondents), and accessible parking (identified by eight per cent of respondents). A range of other measures were also suggested by respondents, including greater training, and extended maternity leave.

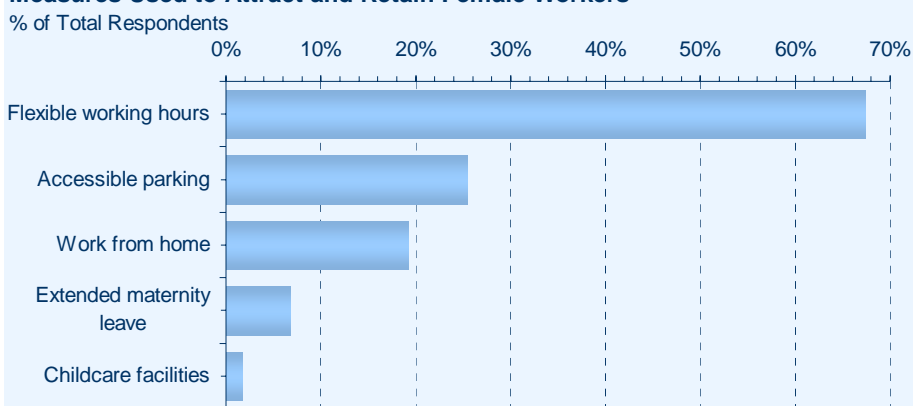
Respondents which are currently using methods to attract female workers were also asked to identify the policies and practices that are being used. The most common method to attract and retain female workers was flexible working hours, with over 67 per cent of businesses surveyed using this method (Chart 18). While flexible working hours were common across businesses of all sizes and from all



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**Chart 18**

### Measures Used to Attract and Retain Female Workers



Source: Commonwealth Bank - CCI Survey of Business Expectations

sectors, around 86 per cent of large businesses, and 73 per cent of businesses in the services sector had flexible working hours in place.

Accessible parking was the next most commonly used method, with over one quarter of respondents indicating that this measure is being used to attract and retain female workers. This measure was also most commonly used by large businesses, and those operating in the services industry. In addition, over 19 per cent of businesses surveyed also provided the option of working from home.

By contrast, extended maternity leave and the provision of childcare facilities were not commonly used by the businesses surveyed to attract and retain female employee.



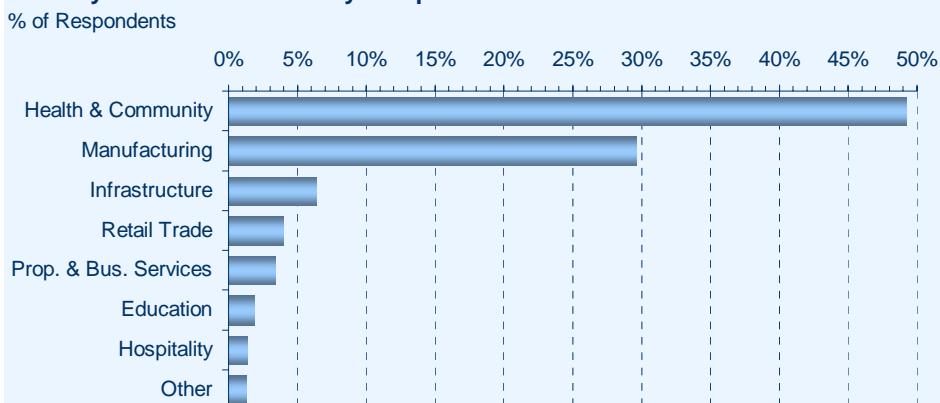
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# Employee Perceptions Survey

Employee's views on workforce issues were gauged through a survey of employee perceptions. The survey was conducted in April 2008, and canvassed the views of more than 1,070 female workers, employed across a range of industries.

The largest share of employees (almost half) were from the health and community services sector, although there was also a considerable share of employees from the manufacturing sector (almost 30 per cent). Other industries that were represented in the survey sample included infrastructure (6.4 per cent), retail trade (four per cent), property and business services (3.4 per cent), education (1.9 per cent) and hospitality (1.4 per cent) (Chart 19).

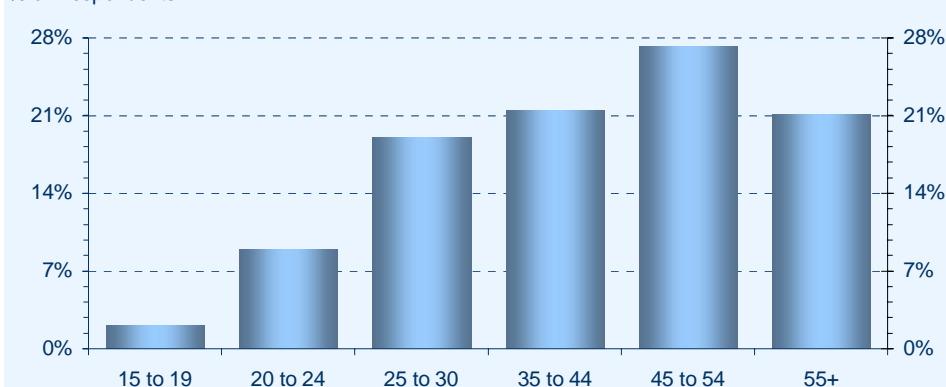
**Chart 19**  
**Industry Breakdown of Survey Sample**  
% of Respondents



Source: Women in the Workforce Employee Perceptions Survey

In terms of the age structure of the survey sample, the majority of respondents were aged between 25 and 54 years. The largest share of workers (around 27 per cent) were between 45 and 54 years of age, while a further 23 per cent respectively were aged between 35 and 44 years, and over 55 years (Chart 20). The age

**Chart 20**  
**Age Structure of Female Employees**  
% of Respondents



Source: Women in the Workforce Employee Perceptions Survey



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structure of survey sample is slightly older than the female workforce across WA, where employment among females peaks between 35 and 44 years of age.

By industry, the health and community services workforce has a larger representation of older female workers, with almost 87 per cent of this sector's workforce over the age of 35. In contrast, retail trade has a younger female workforce, with almost 70 per cent less than 35 years of age.

The majority of respondents were employed on a permanent or part time basis. Almost 55 per cent of all respondents described their employment status as permanent, while a further 35 per cent indicated that they were employed on a part-time basis. A similar share of respondents (around 34 per cent) were also employed as full time workers.

The survey sample has a considerably lower share of full time female employees compared to the broader WA workforce, where around 52 per cent were employed on a full time basis in 2007. Despite the large number of part-time employees, respondents still worked an average of 32.9 hours per week.

Overall, respondents from the infrastructure sector had the longest working week, with employees working 38.6 hours per week on average. This reflects the sizeable share of full time female employees (accounting for 58 per cent of respondents).

Interestingly, while the retail sector has the highest share of full time female employees (accounting for almost 70 per cent of the sector's workforce), the average working week for this sector was slightly lower, at 37 hours. With the largest share of part time female employees (57 per cent), employees from the health and community services sector had the shortest working week of all sectors, averaging just under 30 hours.

The majority of respondents (around 62 per cent) were relatively new to their workplace, having been with their current employer for less than five years. The largest share of workers (37.2 per cent) had been with their current employer for between one and five years, although a sizeable proportion (around 24 per cent) had also been with their current employer for less than a year. By contrast, less than six per cent of respondents had been working at their current place of employment for 20 years or more (Chart 21).

By occupation, the largest share of respondents (nearly 26 per cent) were employed in professional roles, while a considerable share (23 per cent respectively) were also employed in administration and clerical, and community and personal service roles. Meanwhile, less than one per cent of respondents were employed as technicians and trade workers, and machinery operators and drivers.



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**Chart 21**

**Time Employed by Current Employer**

% of Respondents



Source: Women in the Workforce Employee Perceptions Survey

Around 72 per cent of respondents were externally appointed to their current role (Chart 22).

This occupation structure differs somewhat from the broader WA economy, given the large representation of workers from the health and community services and manufacturing sectors in the survey sample. Compared to WA as a whole, the survey sample has a notably higher proportion of females in professional, and management positions, and a lower share employed as labourers.

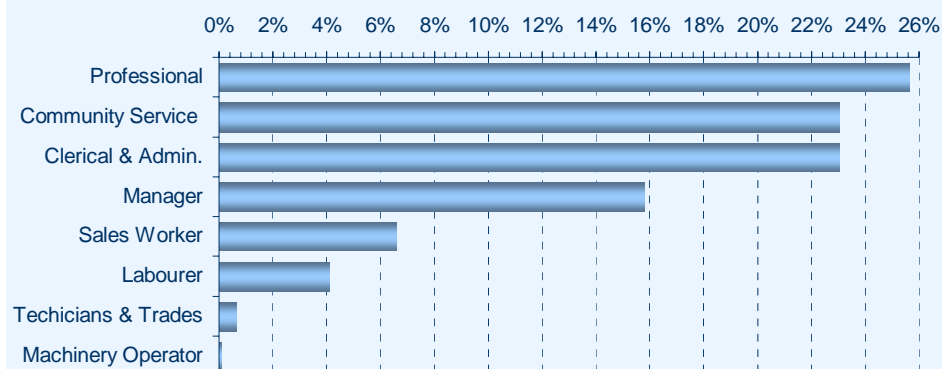
The infrastructure sector employed the largest share of females in professional roles, with more than 36 per cent of respondents from this sector employed in this type of occupation. This compares to the retail sector, where only 11 per cent of respondents were employed in professional roles – the lowest of all industries. However, the retail sector had the largest share of females in management positions of all industries (almost 33 per cent).

With a large proportion of female workers employed on a part time basis, over 70 per cent of respondents received an annual salary of less than \$60,000. The

**Chart 22**

**Occupation Structure of Female Workers**

% of Respondents



Source: Women in the Workforce Employee Perceptions Survey



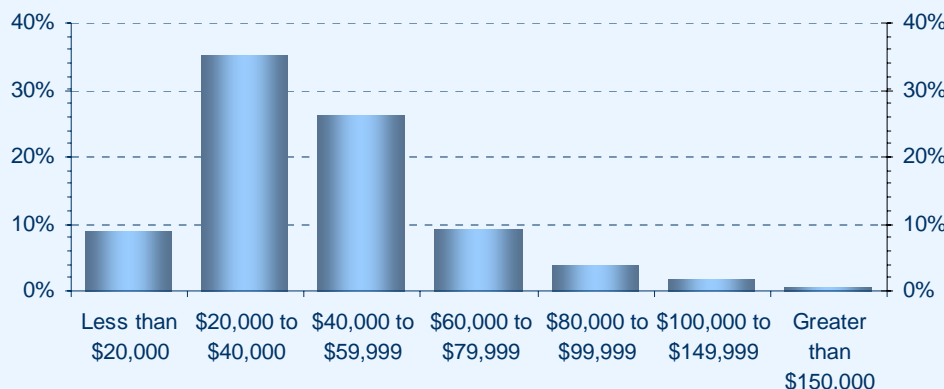
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**Chart 23**

**Salary Structure of Female Workers**

% of Respondents



Source: Women in the Workforce Employee Perceptions Survey

largest share of respondents (35.3 per cent) were earning between \$20,000 and \$39,999 per annum, while a sizeable share (26.3 per cent) received between \$40,000 and \$59,999 each year. Meanwhile, less than six per cent of respondents received a salary in excess of \$80,000 per annum (Chart 23).

Female workers in the health and community services sector received the lowest salaries, with over 58 per cent of respondents receiving an annual wage of less than \$40,000 per annum. However, this is likely to reflect in part the large share of part time workers. In contrast, respondents from the infrastructure sector were the highest paid, with some 17 per cent of respondents receiving an annual salary in excess of \$80,000.

Overall, the majority of respondents (almost 60 per cent) believed that they receive a similar salary to males in a comparable role. However, a sizable share of respondents believed that they were being underpaid compared to males. Over one quarter of respondents believed that their salary was less than male workers in a similar role, with almost nine per cent believing that they were earning much less than their male counterparts. In particular, around half of all respondents from the retail trade and infrastructure sectors felt that they were underpaid compared to their male counterparts. By contrast, less than two per cent of respondents believed that they were earning more than males employed in a similar role.

The majority of respondents were satisfied with their job, with only 10 per cent describing their job satisfaction as “low” or “very low”. Almost 42 per cent of all respondents rated their job satisfaction to be medium, while a further 46 per cent reported “high” or “very high” job satisfaction (Chart 24).

When asked about the least satisfactory aspect of their working life, respondents identified a range of issues. Commonly cited examples included work-related

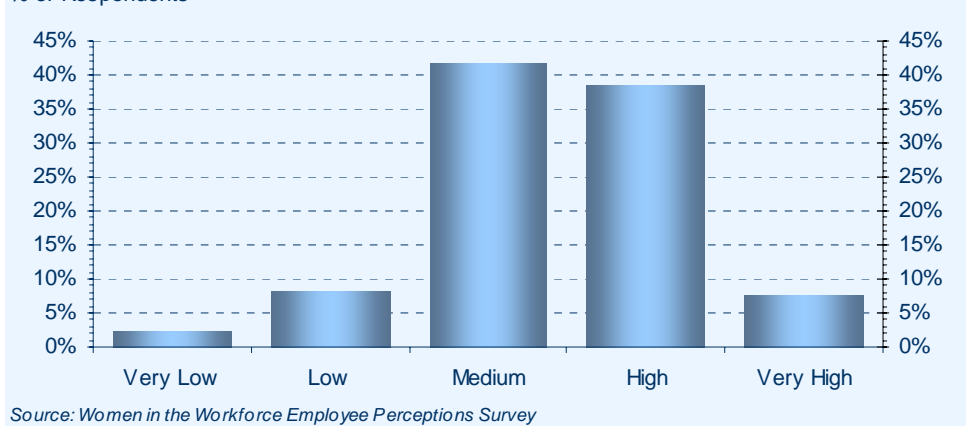


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**Chart 24**

**Job Satisfaction of Female Employees**

% of Respondents



stress, demanding and inflexible working hours, balancing work and family life, repetitive tasks, inadequate compensation, travelling, and staffing concerns.

When asked about their employment intentions going forward, the majority of workers (around 62 per cent) intended to stay in their current role for the next 12 months. Thereafter, only 33 per cent of respondents intended to be in the same role in five years time, while the proportion of respondents who intend to be in their current role in 10 years time dropped to 14 per cent (Chart 25).

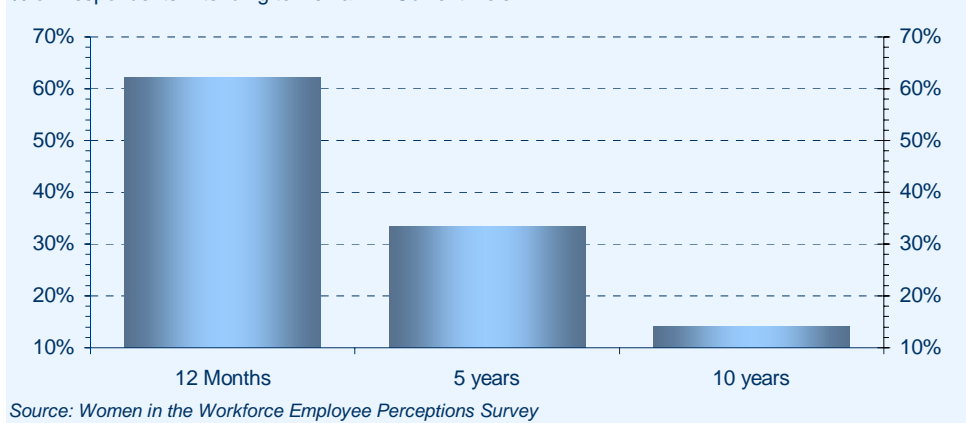
Common reasons cited for employees' intention to leave their current position include promotional expectations, change in career direction, moving to a higher paid role, returning to study, retirement, travel and raising a family. A number of respondents were also considering starting their own business.

Respondents were also asked to identify measures that they consider important to attract and retain female workers. The majority of respondents (82 per cent) identified flexible working hours as the single most important measure to attract and retain female staff. This was identified as the most important measure to

**Chart 25**

**Employment Intentions of Female Workers**

% of Respondents Intending to Remain in Current Role



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attract and retain female workers by respondents from all industry sectors. Comparable pay was the next most popular option, favoured by almost two thirds of respondents.

Employees also rated career development (60 per cent), training and education (59 per cent) and paid maternity leave (57 per cent) as key measures to attract and retain female employees. Other key strategies that respondents believed were important to attract and retain female workers included affordable childcare facilities (50 per cent), accessible childcare facilities (42 per cent) and salary sacrifice of childcare expenses (41 per cent).

By contrast, only half of all respondents felt that their employer currently offers flexible working hours (Chart 26). This result differed considerably between industries, with only 19 per cent of respondents from the retail sector believing that their employer offered flexible working hours, compared to almost 70 per cent from the infrastructure sector.

Meanwhile only 23 per cent believed they were offered comparable pay. The results again differed substantially between sectors, with only 14 per cent of respondents from the retail sector believing that their employer currently provides comparable pay, compared to 32 per cent from the manufacturing sector.

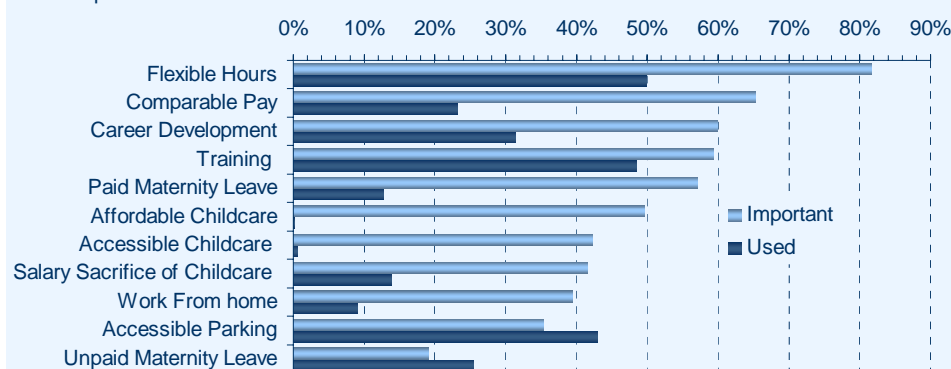
In addition, some 31 per cent of respondents believed that their employer provided opportunities for career development, 48 per cent believed they were offered training and education, and 13 per cent believed their employer provided paid maternity leave.

The survey also gauged whether female employees have previously exited the workforce. The results showed that almost half of respondents had left the workforce at some stage in their career.

**Chart 26**

### Measures to Attract & Retain Female Staff, Used vs Important

% of Respondents



Source: Women in the Workforce Employee Perceptions Survey

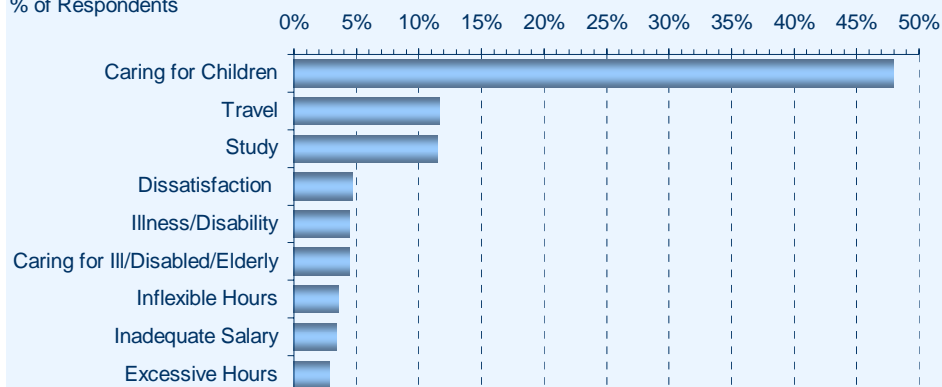


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**Chart 27**

**Reasons for Exiting the Workforce**

% of Respondents



Source: Women in the Workforce Employee Perceptions Survey

The most common grounds for exiting the workforce was to care for children, with around 48 per cent of respondents to this question leaving the workforce for this reason. Meanwhile, around 12 per cent of all respondents to this question exited the workforce to travel, while a further 11 per cent left the workforce in order to undertake or return to studies (Chart 27).

Of those which had previously exited the workforce, the majority (over 55 per cent) had not returned to the same occupation. Nonetheless, around two thirds of these respondents still felt that they are currently in a position where their true skills and abilities are being fully utilised.

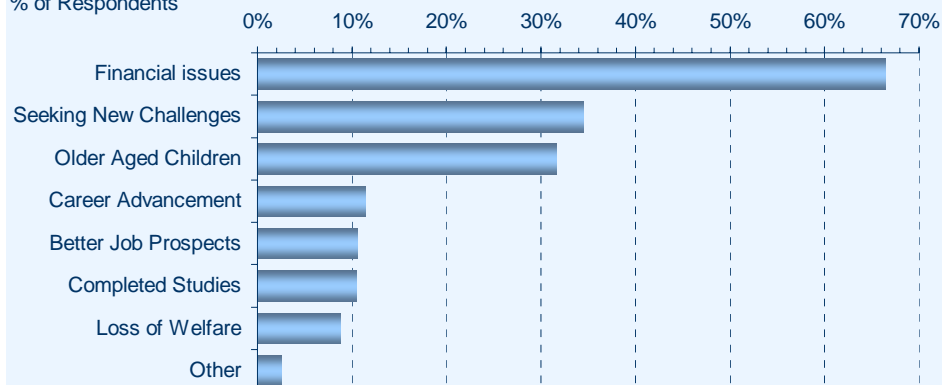
Financial pressures were the primary motive for women to return to the workforce. Around two thirds of respondents who had previously exited the workforce identified financial issues as a factor which has influenced their decision to return to work (Chart 28).

Meanwhile, over 34 per cent of respondents to this question returned to work as a result of their desire for new challenges, with a further 32 per cent re-entered the

**Chart 28**

**Reasons for Females Returning to the Workforce**

% of Respondents



Source: Women in the Workforce Employee Perceptions Survey



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workforce due to older aged children. Career advancement and better job prospects also influenced the decision to return to work for around 11 per cent of respondents respectively.

The return to work for many respondents was limited by family responsibilities, with around 45 per cent of respondents indicating that caring for children had hampered their ability to return to work. Lack of training, qualifications and experience, and inadequate salary and compensation had also limited the ability to return to work for 16 per cent, and 12 per cent of respondents respectively.

Respondents were also asked to nominate the single greatest obstacle which they had to overcome in their return to the workforce. Key issues raised included balancing professional and family life, managing childcare, regaining confidence in their own abilities, and learning new skills.

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# Incentives to Encourage Female Workforce Participation

With WA's economic expansion expected to continue for a number of years, a significant increase in the state's workforce will be required to facilitate this growth.

In its *Building Human Capital* discussion paper, CCI estimated that an additional 400,000 workers will be required in the WA economy over the next 10 years, if economic growth can be maintained at the average rate of growth experienced over the past six years. However, these additional labour requirements cannot be met on the basis of the current labour market, and population trends. In the absence of measures to grow the workforce sufficiently, it is estimated that there will be a shortfall of 150,000 workers in WA by 2017.

Boosting labour force participation is one of key measures identified by CCI in its *Building Human Capital* discussion paper, to ensure that WA meets its ongoing labour requirements. Increasing the labour force participation among females in particular is a critical strategy to boost overall participation rates.

Female labour force participation in WA has risen markedly over time, and has been responsible for the overall increase in participation rates in WA in recent years. However, participation among women still remains lower than for males. International comparisons also show that the participation rates of women of childbearing age in WA are lagging behind many other OECD countries.

Boosting female labour force participation could add significantly to the state's labour supply, and make a substantial contribution to addressing labour shortages going forward. If WA's female participation rate were to increase to the average of the 10 OECD countries with higher female participation rates, this would lead to over 119,000 additional females being employed or looking for work in the state. Such an increase could potentially represent around 80 per cent of the expected labour shortfall going forward.

Nationally, a similar increase in the participation rate would lead to more than 1.3 million additional females participating in the labour force.

There are a range of strategies which could be used to boost the overall level of female workforce participation.

Some of the key strategies identified in *Building Human Capital* are not gender specific, and as such would assist in increasing female workforce participation.



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These include:

- ensuring that Australia's taxation system remains internationally competitive by cutting the top marginal tax rate to 30 per cent over the longer term, and indexing thresholds to inflation;
- addressing high effective marginal tax rates; and
- reforming Welfare to Work programs to actively assist and encourage people to migrate to and take up jobs in areas where labour shortages are particularly pronounced.

There are also a range of more gender-specific policy options to address current barriers and facilitate greater female workforce participation, which are discussed below.

### **International Experience and Practice**

There is a clear link between the rate of female participation, and the policies put in place to allow women to balance their work and family commitments. The notably higher female participation rates in other developed countries are largely a reflection of the generous incentives and opportunities provided in these countries for women to return to the workforce. By comparison, family policies in Australia are considerably less generous (see Accessible and Affordable Childcare, and Paid Parental Leave sections).

The Nordic countries are leading the way in developing innovative ways to encourage women into the workforce, and this is reflected in their exceptionally high female participation rates. The Nordic approach is largely welfare based, and centres on the notion that the responsibility of caring for children is not purely a "female" role, but a shared responsibility between the parents and the state.

While there is no single model of family policy to encourage greater workforce participation in the Nordic countries, policy is focused in three main areas of parental leave, childcare, and cash allowances.

While paid maternity leave is available in varying forms in all Nordic countries (see Table 4), these countries were also the first to introduce parental leave as an extension of maternity leave. Parental leave allows both mothers and fathers to take a period of leave upon the birth or adoption of a child.

While parental leave schemes differ between countries, they all provide generous benefits. For example, Sweden provides 13 months leave at 80 per cent of full pay, with two of these months set aside for fathers. Meanwhile, Norway's parental



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**Table 4**  
**International Comparisons of Paid Parental Leave**  
**Selected Countries**

|                       | Parental Leave Entitlement   | Paid by?   |
|-----------------------|--|--|
| <b>Iceland</b>        | Three months maternity leave, three months paternity leave, and three months divided as the parents choose. For parents participating in the labour market, parental leave is paid at 80 per cent of all pay.  | Social security fund   |
| <b>Sweden</b>         | 420 days, with a further 60 days available to the primary carer's partner  | 2.2 per cent of payroll paid by employer into social insurance fund  |
| <b>Finland</b>        | 158 working days per family, paid via an earnings-related benefit averaging 66 per cent of earnings.   | Social security fund   |
| <b>Switzerland</b>    | Minimum of three weeks, fully paid. If the employee has taken out special maternity insurance, these funds will pay between 70 and 80 per cent of the woman's wage for the period of leave which the employer will not cover.  | Various - employer, employee, and insurance fund.  |
| <b>Canada</b>         | Up to 35 weeks paid leave per family. All jurisdictions require that maternity leave and parental leave be consecutive if both are taken, and the maximum number of weeks leave allowed for one person in most jurisdictions is 52.  | Social insurance scheme  |
| <b>New Zealand</b>    | 14 weeks paid at a maximum rate of \$391.28 per week before tax. To be eligible, the employee must have worked for the same employer for at least six months, with an average of 10 hours per week.  | Government funded scheme from general tax revenue.   |
| <b>United Kingdom</b> | Up to 39 weeks Statutory Maternity Pay (SMP), for pregnant employees who meet qualifying conditions based upon length of service and average earnings. The rate of SMP is 90 per cent of the woman's average weekly earnings for the first six weeks, and the lesser of £100 a week, or 90 per cent of her average weekly earnings for the remaining 20 weeks. | Social security insurance scheme. Employers are reimbursed 92 per cent of the SMP they have paid out, or 104.5 per cent if their total National Insurance Liability in the previous tax year was no more than £45,000. |
| <b>Netherlands</b>    | 16 weeks maternity leave paid at 100 per cent of the maximum rate for sickness benefit. Leave must be taken four weeks prior to birth. Paternity leave of two days paid at 100 per cent is provided for all partners of women giving birth.  | Social security fund   |

*Source: Respective Government Websites*

leave scheme allows parents to extend benefits over a longer period of time. Parents are entitled to work between 50 per cent and 90 per cent of their regular hours, and still receive full pay, until the child is two years of age.





In addition to paid parental leave, the provision of publicly funded childcare has also been central to the achievement of such high rates of female workforce participation in Nordic countries. In general, Nordic children below a certain age are entitled to a place in a publicly funded centre.

The level of public childcare provision differs between countries. Denmark is the most generous, providing funded care for almost half of all children aged less than three years. This is followed by Sweden and Iceland, who provide care for around 37 per cent of children in this age group, while Norway covers 22 per cent of children aged less than three. Meanwhile, Finland provides the lowest level of cover, with publicly funded childcare provided for only 18 per cent of children aged less than three years.

While publicly funded childcare is widely available, parents in Nordic countries also have the option to receive a cash benefit to care of their own children, rather than place them in publicly funded care.

While all of these policies have proved effective in encouraging high rates of female labour force participation, such government involvement does not come without cost. The benefits which citizens of the Nordic countries receive in terms of welfare are generally funded by high rates of income tax. For example, personal income tax in Sweden can be as high as 55 per cent, while in Denmark, personal income tax can exceed 60 per cent.

The Nordic countries also spend a significantly higher proportion of their GDP on childcare and parental leave. However, this has not come at the expense of economic growth, with all of the Nordic countries growing solidly in the past five years. The strongest rate of growth was recorded in Iceland, which grew on average by 5.2 per cent per annum. Meanwhile, Finland has recorded annual average growth of 3.5 per cent per annum over the past five years, while Sweden recorded annual average growth of 3.2 per cent over the same period. Denmark grew at a slower rate, growing on average by 2.2 per cent per annum over the past five years.

In addition to the welfare benefits provided to attract and retain female workers, the Nordic countries have also focused on ensuring that women are represented in senior roles. Many Nordic countries have introduced statutory requirements for females to account for a certain share of membership on boards. For example, in Norway, a 40 per cent quota on all public committees has been in force since 1985, while in Finland, the requirement is for 40 per cent to 60 per cent.

These statutory requirements have paved the way for females to be relatively highly represented on boards in these countries. In Norway, women account for



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around 44 per cent on boards, while in Sweden, women represent 27 per cent. Similarly, in Finland and Denmark, women account for 26 per cent and 18 per cent of board membership respectively. By contrast, women only represent nine per cent of board members in Australia.

In other countries whose participation rate is above that of Australia, family policies are less generous than the welfare intensive approach of the Nordic countries. It is interesting to note, however, that all of these countries (except the United States) have some form of paid parental leave (see Table 4).

The model of paid parental leave used in the United Kingdom provides mothers with 39 weeks of paid maternity leave. Of this, six weeks leave is paid at 90 per cent of previous wages, while a further 33 weeks is paid at a flat rate equivalent to \$270 per week. In addition, fathers also receive two weeks paternity leave at 90 per cent of wages. The UK government plans to increase the period of paid maternity leave to 52 weeks by the end of the current parliament (May 2010). Interestingly, these are government funded schemes with no employer contributions. A key aspect of the UK's paid parental leave scheme is that small businesses are reimbursed 104.5 per cent of the statutory maternity pay to cover the additional costs of replacing staff.

As well as a paid maternity leave scheme, the United Kingdom also provides child care assistance to parents who work in excess of 16 hours per week. However, there is currently an undersupply of child care places in the UK, while affordability also remains an issue. The cost of child care in the United Kingdom has typically been very high, even though families receive assistance for up to 70 per cent of their fees. In general, a low income family with one child in care pays around 20 per cent of their gross income on child care.

In Canada, mothers are entitled to 15 weeks maternity leave at 55 per cent of earnings, followed by 37 weeks paid parental leave, which can be taken by either parent. However, parental leave provisions differ between provinces. For example, in Quebec, parents are permitted to take 55 weeks parental leave at 70 per cent of average weekly income, or 40 weeks leave at 75 per cent of average weekly income. Five of these weeks are reserved for the father.

Child care assistance is also available in Canada, but again varies between provinces. In Ontario, fee subsidies are available for families on the basis of 80 per cent contribution by the provincial government, and 20 per cent contribution by the municipalities. Eligibility to receive this benefit is determined by a provincially determined needs test.



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Canada also offers a tax deduction for child care expenses up to C\$7000 a year for children aged between zero and six years, ranging up to C\$4000 for children above seven years of age.

In contrast, the United States does not offer a paid parental leave scheme, although the *Family and Medical Leave Act* provides that covered employers must grant an eligible employee up to 12 work weeks of unpaid leave during any 12 month period, for the birth and care of a newborn child.

In relation to childcare, available benefits vary from state to state. For example, Wisconsin has one of the most generous welfare reform programs in the United States, which includes child care subsidies for all eligible families. Parents generally pay about 15 per cent of the cost of child care, however there are provisions that prevent child care payments from exceeding 12 per cent of a family's gross income. Payment of childcare benefits is based on a sliding scale, where payments cease once incomes are double the Federal Poverty Limit.

By contrast, Mississippi provides only limited child care assistance for low income earners. This state's system has considerably lower income cut-offs than in other states, and child care assistance is not automatic. To access child care assistance, families placed on a waiting list, with only five to eight per cent of eligible families actually receiving this assistance. Of those who are able to access assistance, parents generally pay about 30 per cent of the cost of care (which represents around five to 10 per cent of their gross income).

In addition to state-based childcare benefits, the United States also has a Dependent Care Tax Credit (DCTC), which allows families to claim a federal income tax credit for a portion of their child care expenses. Overall, families can claim a maximum of \$US480 per year for a one child family, and \$US960 for families with two or more children. The DCTC is not refundable, which means that families on low incomes who pay no or minimal tax receive little or no benefit from the tax credit.

## **Flexible Working Arrangements**

CCI's survey of employee perceptions found that the provision of more flexibility in the workplace is the single most important measure to attract and retain female workers.

The difficulties in balancing work and family obligations is a recurring theme, with females consistently identifying their family commitments, and role as the primary carer as significant obstacles to their ability to fully participate in the workplace.



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Flexible working arrangements provide a practical solution to address this issue without adversely affecting business. Flexible arrangements provide employees with more options as to when and how they complete their work, and greater opportunities for balancing work and family responsibilities, while at the same time ensuring that they are still working their full hours.

It is also important that flexible working hours be available to both genders, to allow parents to balance work and family commitments. This is an increasingly important consideration, as men take a more active role in their children's activities.

Employers can offer a range of alternatives to make their workplace more flexible.

### **Flexible Working Hours**

Flexible working hours provide employees with an improved ability to balance their work, family and other commitments, or to meet unexpected obligations as they arise, without being penalised.

This arrangement generally provides employees with the opportunity to start and finish work at a time that is convenient to both them, and their employers. While employees are generally required to be at work during the "core hours" dictated by their employer, they are free to choose their start and finishing times from the non-core hours at the beginning and end of the working day.

Flexible working hour arrangements do not just provide employees with the ability to adjust their work hours within a given day. This type of working arrangement also allows employees to allocate their time to meet work and other commitments within a broader time period.<sup>7</sup>

For example, in some workplaces employees are able to accrue any additional hours worked above their core hours of employment, to be taken as leave at a later date. Similarly, employees may also be allowed to work additional hours during the week, in order accumulate sufficient hours to take regular rostered days off. In addition, employees could also choose to work their required number of hours in a shorter period of time, to compress their work week into four rather than five working days.

### **Home Based Work**

Home based work allows employees to work from their home on a full time, part time or temporary basis under a formal agreement with their employer.



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**Case Study 1 – WA Public Service**

The WA Government has a key focus on diversity in the workplace, and has specifically concentrated on attracting a greater share of female employees.

This focus has seen women account for an increasing share of the public sector workforce. In June 2006, women represented 65 per cent of WA public sector employees, up from the 55 per cent share held 10 years previously.

One key method used by the WA Government to attract female workers has been the availability of part time work. Around 27 per cent of WA public sector workers are employed on a full time basis, with almost 90 per cent of these positions being held by women.

The WA public sector has also implemented a range of flexible working arrangements, which have enabled employees to better manage their work and family commitments. These arrangements include:

- flexible working arrangements including part-time and job share, flexible start and finish times;
- flexible leave including exam and study leave;
- purchased leave options (up to eight weeks additional annual leave);
- 14 weeks paid parental leave;
- leave without pay; and
- dedicated family rooms.

WA public sector employees are also entitled to a range of other benefits, including professional development and learning opportunities, salary sacrifice options, wellness programs, and employee assistance programs.

The WA public sector also has a focus on encouraging a greater share of women into leadership positions. In this regard, some 24 per cent of the state's senior executive employees are female, up from 13 per cent 10 years previously.

Encouraging females into leadership positions has been identified as a key focus for the WA public sector going forward. The Department of Premier and Cabinet has implemented an action plan to encourage women into leadership roles.

This action plan includes initiatives such as establishing a 50 per cent benchmark for women's participation in leadership programmes, establishing networking forums, mentoring, and the development of flexible working arrangement implementation tools. The action plan will be reviewed in 2010.



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While home based working arrangements may not be suitable for all types of occupations or employees, there are some circumstances where work from home options could prove to be highly successful. In particular, tasks which require minimal face to face contact such as research, policy, and defined projects are suitable for home based work, while employees that do not require close supervision would also be most suited to this type of working arrangement.<sup>8</sup>

### **Alternative Leave Arrangements**

There are a range of measures that can be implemented by employers to provide workers with improved access to leave. One method which provides employees with the ability to accrue additional annual leave over and above their statutory requirement is purchased leave. This scheme allows employees to work their regular hours of employment at a reduced rate of pay, which would permit the employee to take additional self-funded paid leave throughout the year.<sup>9</sup>

Employers can also offer workers the opportunity to access “term time” working arrangements, which specifically cater to employees with school aged children.

#### **Case Study 2 – IBM Australia**

IBM Australia is a leading supplier of information technology, software and services in Australia.

IBM has implemented a range of flexible work practices to support the advancement of women, including:

- flexible working arrangements including part-time and job share, access to single days annual leave, flexible work week, time off in lieu, flexible start and finish times, negotiated hours worked by employees, and telecommuting;
- flexible leave including exam and study leave, religious observance leave, leave of absence, personal work/life leave;
- paid maternity leave;
- paid paternity leave;
- paid adoption leave;
- parenting rooms (for expressing milk and breast feeding);
- preparing to return to work from Parental Leave seminars;
- Get Balanced program; and
- Employee Assistance Program.

In addition, IBM also offers a range of other internal programs aimed at motivating and retaining women, including the IBM Australia and New Zealand Women’s Conference, annual personal and career development courses for high potential women, networking events and mentoring.



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Term time arrangements allow workers to utilise leave without pay, or purchased leave arrangements, in order to work only during school terms.

Employers may also allow workers to take a period of unpaid leave.

Flexibility in taking leave is also important, in that it allows employees to take leave at short notice. This is necessary to accommodate the sporadic needs of family and other lifestyle commitments.

### **Part Time Employment**

The availability of quality part time work is also important to ensure a flexible workplace. Part time workers should be provided with similar opportunities for education and training, and promotional opportunities as full time staff.

When part time work is not a viable option in some positions, a job sharing arrangement may be a suitable compromise. Job sharing involves two or three employees who work on a part time basis, sharing one role. A job sharing arrangement may allow workers who are employed in positions that are not normally suited to part time work to be able to work on a part time basis.

***Finding:** Flexible working arrangements are consistently ranked as the most important factor influencing workforce participation amongst women. In workplaces where such arrangements can be implemented, this would provide employers with a larger supply of potential labour.*

### **Pay Equality**

Addressing pay inequity will ensure that women are being paid fairly, and that their skills are appropriately valued and remunerated.

In general, males continue to be paid at a higher rate than females. The gender pay gap in WA stood at around 39 per cent in March 2008, based upon the average weekly ordinary time earnings measure of wages. This imbalance reflects several key characteristics of the female workforce in WA.

The sizeable proportion of females employed on a part time basis has contributed to the disparity between male and female average weekly earnings. Many female workers have a preference for part time employment, to allow them greater flexibility to balance work and family commitments.<sup>10</sup>

The gender segregation of the labour market has also contributed to the gender pay gap in WA. In general, females tend to be employed in more services oriented industries, which in many cases have lower rates of pay than many other industries, particularly the higher paying resources, manufacturing and construction industries.



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There are also considerably fewer females employed in higher paid management and leadership positions, according to the 2006 *Australian Census of Women in Leadership*, which measures the status of women on boards and in executive management in Australia's top 200 ASX companies. According to the census, women represent only 12 per cent of executive managers, and less than nine per cent of board directors. Furthermore, only three per cent of CEOs are female, while women account for only two per cent of company chairs. Around 40 per cent of companies did not have a women executive manager, while half did not have any female board directors.

A range of measures can be utilised within individual organisations to address the gender pay gap. In particular, employers can conduct a payroll audit, to determine where significant gender pay differentials exist. Individual employers can also make certain that their human resources policies do not restrict the career development of female workers, particularly those employed on a part time basis.

Broader, economy-wide strategies can also be adopted to address the gender pay divide. Promoting flexible workplaces, which allow females to balance work and family responsibilities, is likely to encourage a greater number of females into full time positions. Similarly, encouraging more females into the higher paid male dominated industries such as mining, construction, and finance and insurance may also contribute to greater pay equality between genders.

Encouraging women into more senior and management positions is also likely to assist in addressing gender pay inequality. Not only will increasing the representation of women on boards go some way towards directly addressing gender pay equality, but it is also likely to indirectly deal with this issue by ensuring that the interests of women are represented in the workplace. Introducing a leadership model that includes females is likely to have flow-on effects to the broader organisation, particularly in terms of the implementation of broader policies (such as flexible working arrangements), to address the gender pay equality issue.

***Finding: Policies used by employers to address pay disparities may increase the potential supply of labour.***



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## Accessible and Affordable Childcare

Access to affordable, high quality child care is a key factor in participation decisions, particularly for women of child-rearing age. Such facilities are crucial to allow working parents to balance their employment and family commitments.

According to the latest ABS Childcare Survey, almost 1.6 million children aged between zero and 12 years across Australia received some form of childcare during the reference period. Overall, this represents almost half of all children in this age group.

Almost two thirds of these children were accessing childcare for “work related” reasons. Of those children from couple families where both parents were employed, over half had used child care in the reference week. The proportion of children accessing childcare was even higher where mothers were employed on a full time basis (60 per cent), compared to part time mothers (51 per cent). Meanwhile, in sole parent families, almost three quarters of children with a working parent had been in childcare during the reference week, compared to 40 per cent whose parent was not employed.

### Case Study 3 – KPMG

KPMG is one of Australia’s largest professional services firms offering a range of audit, tax and advisory services to private and public sector clients. A particular focus for KPMG has been the need to address the decreasing number of female employees in more senior roles.

The firm developed a number of initiatives to ensure the attraction and retention of women, with the aim is to address the issues women face. The firm has a focus on flexible work practices and family-friendly initiatives.

In addition, KPMG has also developed specific programs, courses and initiatives to address particular needs for female employees. These include:

- career resiliency programs;
- the Executive Women’s Development program;
- parental leave courses for pregnant women and their spouses;
- parenting workshops;
- return to work forums (post parental leave);
- sponsorship of the Serious Women’s Business Conference; and
- celebrating International Women’s Day in each office throughout Australia.

KPMG also readily recruits and promotes pregnant individuals. For example, a senior manager from KPMG’s Adelaide office was promoted while on maternity leave with her second child.



The proportion of children in childcare for work-related reasons was even higher according to the Department of Family and Children Services (FaCS) latest *Census of Childcare*. The Census found that 90 per cent of children's paid hours in "long day care"<sup>v</sup> centres were for work related care, while this proportion was 88 per cent for children in "family day care"<sup>vi</sup>. In "outside school hours care", the proportion of work related care stood at 97 per cent. Meanwhile, 49 per cent of children's paid hours for "occasional care"<sup>vii</sup> were work-related.

With such a large share of parents utilising childcare for work-related reasons, there is a clear need for childcare facilities to be accessible to all types of workers, including those employed on weekends and shift workers. There is a clear concern with the accessibility of childcare outside of "regular" working hours, in particular at weekends and during the evenings.

While providing childcare on business premises may be a solution to this problem, it may not be practical for many businesses, particularly small and medium sized enterprises.

According to FaCS latest *Census of Childcare*, very few "long day care" centres operated on weekends. Just 21 long day care centres out of the 8,621 child care centres canvassed in the Census operated at some time during the weekend, with less than half of these operating on both Saturday and Sunday. Only two "long day care" centres remained open for 24 hours a day.

While the main use of family day care schemes occurred between the hours of 8am and 6pm, only a limited number of child care providers operate for extended hours. "Long day care" centres opened on average for 10 hours and 48 minutes per day. In terms of childcare during evenings and overnight, only seven per cent of children in "family day care" received care overnight between the hours of 6pm

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<sup>v</sup> Long day refers to services aimed primarily at zero to five year olds, provided in a centre, usually by a mix of qualified and other staff. Educational, care and recreational programs are provided based on the developmental needs, interests and experience of each child.

<sup>vi</sup> Family day care refers to services provided in the carer's home. The care is largely aimed at zero to five year olds, but primary school children may also receive care before and after school, and during school vacations.

<sup>vii</sup> Occasional care services are usually provided at a centre on an hourly or sessional basis for short periods or at irregular intervals, for parents who need time to attend appointments, take care of personal matters, undertake casual and part time employment, study or have temporary respite from full time parenting.



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### Case Study 4 – Westpac

Westpac is one of Australia’s largest financial service providers, operating in Australia, New Zealand and across the Pacific. Westpac has developed a number of key initiatives to provide best practice working conditions for women.

These include:

- unlimited carers’ leave for caring for sick family members;
- 12 weeks paid parental leave for the primary caregiver;
- the ability to work part time up until their child reaches school age, with the option of returning to their full time position at the end of that time;
- subsidised childcare centres; and
- specific learning programs for women.

and 8am. However, a much higher proportion of children in home care services received overnight care (18 per cent).

The cost of child care directly affects female labour force participation, particularly for sole parents, mothers of preschool age children, and low income parents. Anecdotes have suggested that the cost of childcare is such that it largely negates any income benefits for many females engaging in paid employment.

According to FaCS latest *Census of Childcare*, the average weekly fee in private “long day care” centres was \$208, while for community “long day care”, the average fee stood at \$211 per week. Overall, the cost of “long day care” represented over 24 per cent of females average weekly earnings. For “family day care” schemes, the average weekly cost was \$185 per week, which accounted for around 21 per cent of average weekly earnings for females.

***Finding:*** *Affordable and accessible childcare is critical to ensure that working parents can balance their work and family commitments.*

### Commonwealth Government’s Role

The Commonwealth Government’s involvement in childcare dates back to the early 1970s. As well as providing information and funding to some childcare service providers, the Commonwealth Government’s key roles and responsibilities in relation to child care also include the provision and administration of welfare.

The key benefits provided by the Commonwealth Government in relation to childcare are discussed below.



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The affordability of child care has been improved through the Child Care Benefit and the Child Care Tax Rebate. Child Care Benefit is a subsidy which varies according to parents' income, the number of children in care and the type of care. The Child Care Tax Rebate is a non-refundable tax rebate on 30 per cent of out-of-pocket child care expenses; that is, fees incurred for approved care less Child Care Benefit.

The Child Care Benefit is a means-tested payment that helps families to balance their work and parenting roles by assisting with the cost of child care. Child Care Benefit is a payment of between \$0.497 and \$2.96 per child per hour, depending on the parents' income, the type of care used, and the ages of the children.

***Finding: Both the Child Care Benefit and Child Care Tax Rebate are important ways in which the Government can assist families with the cost of child care, and therefore assist in encouraging labour force participation.***

### *Tax Relief for Child Care*

Employer-sponsored child care is exempt from fringe benefits tax (FBT), where provided on business premises. This means that employers can give staff the option of salary sacrificing child care fees, by which employees forgo part of their salary and employers pay the child care fees. Employees do not pay income tax on the portion of salary they have sacrificed, so they gain what amounts to a tax deduction in every pay packet.

The intention of the exemption, therefore, was to encourage employers to participate in solutions to their employees' child care needs. This would assist not only employees but contribute to the government's objectives for increased women's workforce participation.

However, the intention of the exemption has not aligned with its application, with the House of Representatives Inquiry into Balancing Work and Family (the Inquiry) noting in its December 2006 report that:

*“Evidence received by the committee indicates that the business premises limitation is distorting the intended outcome of the exemption and imposing penalties on those whom it was designed to benefit.*

*The Australian economy is already suffering from skills shortages, which are likely to be exacerbated by demographic changes. Therefore, the provision of child care should be a legitimate way for businesses to attract and retain staff, should they choose to do so.”<sup>11</sup>*



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The Inquiry noted that both the Commissioner of Taxation and the courts have assessed “business premises of the employer” by way of a two-part test. Firstly, business premises must be the site of business operations; and secondly, in order to be of the person, there must be a relationship of ownership or control between the employer and the premises.

The result has meant that such an exemption has not been used widely, given the costs involved in establishing a child care centre – particularly for small and medium sized enterprises – and the fact that businesses would unlikely have the expertise to run such a centre.

Removing the business premises limitation to the FBT exemption would give employers the opportunity to legitimately assist employees with child care without having to make a long-term commitment to an inflexible and prohibitively expensive child care facility.

This would mean that small and medium sized businesses could better compete against large firms in attracting and retaining staff, as well as allowing employees to choose where their children are cared for without losing the ability to salary sacrifice for child care fees.

Employers could also be much more responsive to the changing needs of their workforce. Under the current system, it is difficult for an on-site child care facility to cope with changes in demand. Too much demand, and parents are put onto a waiting list; too little demand, particularly on the last few days of the week, and the centre becomes unsustainable.

In terms of the overall cost to Government revenues, a study by Econtech for the Inquiry suggested that the cost of the full exemption would be \$136.6 million per year.<sup>12</sup>

***Recommendation:*** *It is recommended that changes be made to allow child care to be salary sacrificed, in the same way that salary sacrificing is allowed for motor vehicles, superannuation and computers, none of which require a business premises test or indeed any other test except that they are work related.*

Offering families a tax deduction would acknowledge child care as a legitimate cost of working, and would align government expenditure in this area more closely with workforce participation outcomes. This is consistent with OECD recommendations that Australia’s child care assistance be made more conditional on employment. By giving a benefit proportional to the marginal tax rate of the worker, a tax deduction would actually give an incentive for increased participation in the workforce, as it would reward parents by returning to them some of their own hard-earned income which would otherwise go to government revenue.



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On the basis of modelling conducted by Econtech for the Inquiry, it was found that some families would not receive a benefit from a tax deduction for child care which is superior to the current system of Child Care Benefit and Child Care Tax Rebate. As a result, the Inquiry recommended that the Child Care Benefit and Child Care Tax Rebate be retained. A choice should be afforded to working parents to opt for the Child Care Benefit and Child Care Tax Rebate, or to claim work-related child care costs as a tax deduction, either by way of a claim through their annual income tax return or by salary sacrificing.

In this way, no-one will receive any less than they do presently, but those who are producing more will benefit to a greater extent by keeping some of their own earned income.

Ultimately, under the committee's proposed model, families will have the responsibility of choosing which form of assistance best suits their needs. Parents who have provided evidence to the committee have a high degree of awareness of what they think their options should be. These families want to exercise choice about how they organise their work and family life.

#### *Family Tax Benefits*

Australia has a highly targeted welfare system. The Family Tax Benefit system recognises that households with children face greater costs than those without. Family Tax Benefit Part A is directed towards those families with lower incomes, with benefits progressively withdrawn as family income increases.

While Australia's tax and targeted welfare systems necessarily create higher EMTRs, the Commonwealth has worked to reduce EMTRs for families in recent years, with the withdrawal rate reduced from 50 percentage points in 2000-01, to 20 percentage points in 2004-05.

Family Tax Benefit Part A is a tax-free payment designed to assist with the costs of raising children. It is paid to families with dependent children under 21, or a qualifying dependent full time student aged 21 to 24.

The amount of Family Tax Benefit Part A paid depends on: a family's annual income; how many children they have; and how old their children are.

Since its introduction in 2000, adjustment to the income limits and taper rates of Family Tax Benefit Part A have meant that middle income earners are also eligible to receive it. From 1 July 2004, the maximum taper rate on the payment was lowered from 30 per cent to 20 per cent. In the 2006-07 Budget, the income threshold at which a family could receive the maximum payment was increased from \$33,361 to \$40,000. This measure was expected to increase the entitlement of almost half a million families.



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Family Tax Benefit Part B provides extra assistance to sole parent families and to families with one main income, where one parent chooses to stay at home to balance a small amount of paid work with caring for their children. It is paid to families with children aged under 16 or with children aged 16 to 18 who are studying full time. Family Tax Benefit Part B is only partially means tested. The income of the family's second earner is taken into account, but not the primary earner. Sole parents, therefore, do not have to pass an income test, and receive the maximum rate automatically. In couple families, the primary earner's (most often, the father's) income is not taken into account.

The second earner receives the maximum rate of Family Tax Benefit Part B until their income reaches \$4,234 a year. Once the secondary earner's annual income surpasses \$4,234, payments are reduced by 20 cents for every extra dollar of income. Family Tax Benefit Part B cuts out altogether when the recipient's income reaches \$21,572 (if the youngest child is under five years of age), or \$16,790 (if the youngest child is between five and 18 years of age).

In addition to the Family Tax Benefit Part A and B assistance, the Commonwealth also provides a range of other forms of family assistance, including:

- parenting payment, which is a means tested payment designed to assist low income families with the cost of raising children;
- baby bonus, which is a universal lump sum payment of \$5,000 that recognises the costs associated with the adoption or birth of a baby;
- multiple birth allowance, which assists parents which have three or more children in the same birth;
- maternity immunisation allowance, paid to the parents for all children that have been immunised; and
- large family supplement, paid to families with three or more children and whom receive the Family Tax Benefit.

***Finding:** The provision of targeted family assistance is important not only for social equity reasons, but also assist in encouraging workforce participation.*

## **Paid Parental Leave**

The establishment of a paid parental leave scheme is likely to encourage a greater number of women to access a longer period of parental leave than previously (and as such a longer period away from the workforce). However, it is also likely to be a key incentive to encourage women to stay in the workforce, and return to the workforce following childbirth.



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Currently, the *Workplace Relations Act 1996* provides for up to 12 months unpaid parental leave, taken as a single, unbroken period in respect of the birth, or the expected birth, of a child of an employee.

Looking forward, additional statutory requirements will be brought into force by the National Employment Standards (NES), which will come into effect on 1 January 2010. Among changes that will be introduced by the NES will be:

- A right for the employee to request an additional 12 months of unpaid parental leave (effectively increasing the period of unpaid parental leave to 24 months); and
- A right for the employee to request flexible working arrangements until a child reaches school age.

The incidence of paid parental leave has been increasing over time, with recent figures released by the Equal Opportunity for Women in the Workplace Agency (EOWA) revealing that the provision of paid maternity leave has increased to 48.9 per cent among medium to large employers.<sup>13</sup> By contrast, analysis by the Office for Women in 2007 revealed that only 19 per cent of small to medium sized businesses provided a paid maternity leave benefit.<sup>14</sup>

Another measure of coverage by the Australian Bureau of Statistics (ABS) shows that 45 per cent of Australian female employees, and 40.9 per cent of Western Australian female employees currently receive a paid maternity leave benefit.<sup>15</sup>

The entitlement offered generally differs between employers, with the amount of paid parental leave varying from four to 26 weeks. The eligibility requirements and how the entitlement is paid also vary, although it is common for the employer to offer twice the period of leave at half pay.

Significant anecdotal evidence has emerged to suggest that businesses currently offering paid parental leave schemes are experiencing high rates of retention.

The 2002 Human Rights and Equal Opportunity Commission (HREOC) report, *A Time to Value*, found that employers who introduced paid maternity leave increased the loyalty of their workforce and dramatically increased the return to work rates of women who took maternity leave.<sup>16</sup>

The 2003 EOWA survey found that organisations with paid maternity leave had a higher average retention rate (67 per cent) than organisations without paid maternity leave (56 per cent).<sup>17</sup>

Anecdotes suggest that the labour force attachment is increased by paid maternity leave (Box 2).<sup>18</sup> Large financial institutions, Westpac and National Australia Bank



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(NAB), both believe that paid maternity leave has benefited their business. Detailed analysis conducted by Westpac demonstrated that the business cost of attrition and rehiring far outweighed the cost of maternity benefits<sup>19</sup> and Helen Ormond, Head of Organisational Capability at NAB stated that “while this is a substantial investment in our people, we have done sufficient cost-analysis to know that we reap the dividends in terms of employee productivity, job satisfaction and retention.”<sup>20</sup>

While there is evidence to suggest that paid parental leave will provide significant benefits to WA business, CCI believes that the cost of paid parental leave should not directly fall on employers.

Small and medium sized businesses in particular may find a paid parental scheme challenging, given that their margins or reserves are lower and would thus limit their ability to pay significant additional remuneration for an extended period without reciprocal productivity gains. Smaller sized businesses may also find it difficult to recruit replacement staff during the period of leave, as that they are less able to offer higher pay and other incentives above the market rate to attract required workers. This view was supported by a focus group of small and medium sized enterprises held by CCI, which believed that a paid parental leave scheme would place a significant burden upon their business.

Overall, CCI believes that a government funded and administered scheme is generally the only workable model of paid parental leave. This notion was supported by the 2002 HREOC report,<sup>21</sup> which found that the scheme favoured overwhelmingly by those who supported the introduction of paid maternity leave was government funded. It found that there was widespread agreement that a

#### **Box 2: Paid Maternity Leave and Retention Rates**

A range of organisations have reported higher retention and return rates of staff since the introduction of paid parental leave.

- Westpac Banking Corporation introduced six weeks paid maternity leave in 1995. The proportion of women returning to work from maternity leave increased from 32 per cent in 1995 to 53 per cent in 1997.
- AMP reported an increase in retention rates from 52 per cent in 1992 to 90 per cent in 1997, following the introduction of paid parental leave.
- Hewlett Packard reported a greater than 90 per cent return rate from paid maternity leave.
- SC Johnson recorded 100 per cent return rates since introducing paid maternity leave.
- NRMA was able to increase their parental leave return from 32 per cent to 85 per cent.



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direct impost on employers would be untenable, given the additional financial burden.

***Finding:*** *There is significant evidence to suggest that a paid parental leave scheme will benefit business, particularly in terms of retention rates and workforce loyalty*

*Despite these benefits, CCI believes that the cost of a paid parental leave scheme should not directly fall on employers.*

***Recommendation:*** *CCI supports the implementation of a government funded and administered scheme of paid parental leave be implemented.*

*The scheme should be reflective of the International Labour Organisation convention of 14 weeks paid leave at the rate of the Federal Minimum Wage. There should be no mandatory obligation for employers to top up payments.*

## Education and Training

While younger Australian women are achieving high levels of educational attainment on average, there is considerable scope to improve the skills of older aged females. Constant technological improvements mean that the skills and abilities of older female workers will tend to be less relevant than when they were first learnt, particularly for those women that have exited the workforce for some period of time.

There is also a need to change the mindset of educational attainment. It is not something undertaken only at an early stage of life. The Business Council of Australia stated that the old paradigm that we go from full-time education transitioning to full-time work transitioning to full-time retirement must change. Instead, Australia needs to appreciate that:

*Life-long learning, phased retirement and the capacity for individuals to engage and re-engage in the workforce at different levels of intensity are likely to be characteristics for business, economic and social success in the future. We must ensure that our social and economic infrastructure is capable of supporting this.<sup>22</sup>*

There is a need for both governments and employers to introduce lifelong learning initiatives with an eye towards guiding younger generations through the ageing process and to engaging older workers (particularly females). Programs encouraging lifelong learning could be targeted at individuals currently in the labour force, with the objectives of supporting continuous updating of skills and



delaying their exit from the labour force. Similar programs could also be aimed at re-skilling workers that have previously exited the labour force.

A critical component of life-long learning is to ensure that training is tailored to the needs of such workers. While younger workers are more likely to hold higher levels of training, older workers will have a wealth of hands-on experience that is highly valuable. However, standard training programs will not acknowledge this experience and will also not cover areas where low-skilled older workers and those that have previously exited the workforce may have substantial gaps, such as in information technology. Updating skills, particularly in relation to information technology, has been highlighted as a key impediment to women's ability to return to the workforce.

To ensure that older workers are engaged with training programs, an up-front skills assessment needs to be conducted to ensure relevant experience is recognised and any skills deficiencies are addressed.

It is also important to ensure that such programs are operated at an appropriate time, which would allow workers to balance their training and family commitments.

There are already a number of publicly funded programs in place, aimed at re-skilling older workers.

The WA government's key program for re-skilling older workers and encouraging them back into the workforce is the *Profit from Experience* program. This program recognises that mature age workers have extensive skills, knowledge and experience to contribute to the workplace and to society, and is designed to help support mature age people to re-enter the workforce.

Meanwhile, the WA Government's *First Click* program is designed to increase computer literacy among the 400,000 adult Western Australians who have no computing or Internet-skills and who do not want to enrol in a formal course at TAFE or a university.

The Federal Government's Mature Age Employment and Workplace Strategy programme aims to assist older workers back into the workforce. This is a regional based program, which provides information and assistance to both workers and employers in regards to issues related to older aged workers.

The Federal government also provides incentives for mature age apprentices. The Mature Aged Worker Incentive provides eligible employers of disadvantaged workers (aged 45 years or older) a special \$750 Mature Aged Worker Commencement Incentive and a \$750 Mature Aged Worker Completion Incentive.



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The Australian Government also provides financial support for mid-career workers (aged 30 years or more) to upgrade their skills through an apprenticeship in a trade occupation in high demand. The payment is made to either the employer or the apprentice (depending on award arrangements) and is set at \$150 per week (\$7,800 per annum) in the first year and \$100 per week (\$5,200 per annum) in the second year.

***Finding:** Life-cycle learning that facilitates the retention of skills and enables the retraining of older aged women will facilitate greater female participation and engagement with the labour market.*

*These programs should be held at convenient times, and result in formal qualifications, involve local businesses to ensure the skills are relevant, be of sufficient intensity to develop valuable skills.*

## **Incentives to Encourage Female Participation in the Resources Sector**

WA is in the midst of the greatest economic expansions in its short history, courtesy of the unprecedented demand generated from China for our natural resources. Such growth has brought with it significant labour requirements, particularly in the booming mining and construction sectors.

Despite the vast employment opportunities created in the mining sector, women are still significantly underrepresented in this sector. In 2007, less than 20 per cent of the mining sector workforce in WA was female, while only two per cent of the state's female workforce was employed in this sector.

Although more than 200,000 jobs have been created in the economy since the beginning of the current phase of the expansion, this has not been sufficient to meet demand, with labour shortages becoming a key limiting factor to growth in this state. With labour shortages particularly acute in the mining and construction sectors, there are significant opportunities for women to engage in these industries.

However, there are several clear impediments to female participation in the resources industry which must first be addressed, including the low availability of part time work, the industry's culture of long working hours, and the remote nature of the industry.<sup>23</sup>

The Minerals Council of Australia, in conjunction with the Office for Women, recently undertook a study into attracting and retaining women in the Australian minerals industry. This study, *Unearthing New Resources*, provided a range of recommendations about measures that the industry can undertake to encourage greater female participation.



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In addition to the generic options to encourage greater female workforce participation, some measures are specific to the industry, including:

- providing the opportunity for couples to be on the same roster pattern;
- addressing the quality of services in remote residential locations (particularly health and education);
- ensuring that onsite accommodation is maintained at a reasonable standard; providing a range of activities onsite that are inclusive;
- leadership training for managers that focuses on changing the masculine culture of the organisation;
- eliminating tolerance of discrimination, sexual harassment and bullying in the workplace;
- establishing a leadership development program for women; and
- establishing a sector wide network for professional women.

Many resources companies have already adopted measures to attract and retain more female workers into the sector. A sample of these detailed below.

#### **Case Study 5: Rio Tinto**

Rio Tinto is a leading mining and exploration company, which has implemented a range of strategies to increase the participation of women in their organisation<sup>i</sup>, particularly in non-traditional roles. Some measures implemented in WA by Rio Tinto include:

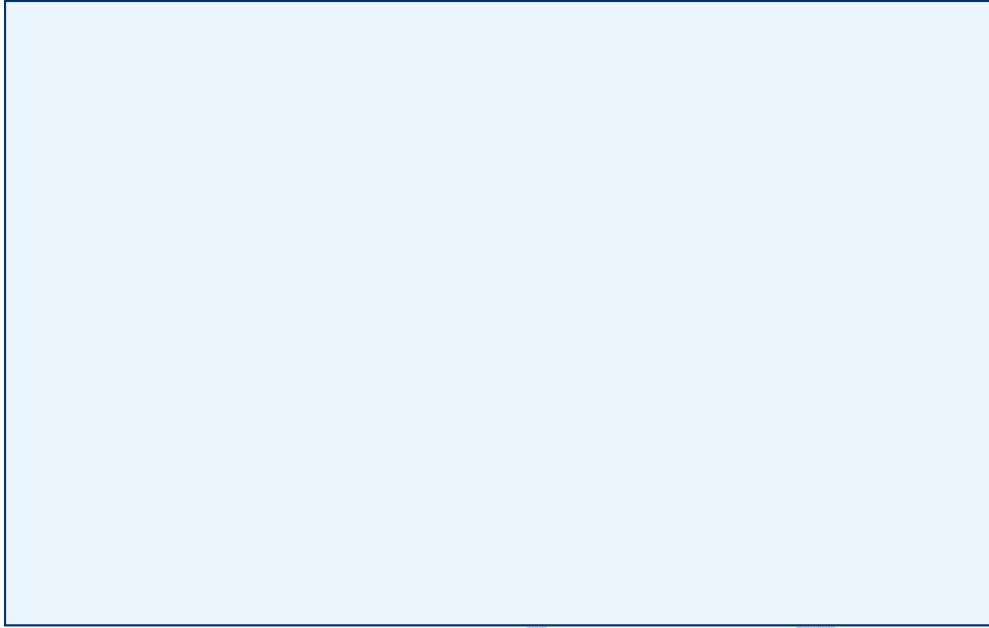
- ensuring all recruitment initiatives support the focus on recruiting women into traditional male dominated roles such as Maintenance Planners; Engineering; Supply Officers and Operators;
- releasing a Flexible Work Arrangements Policy, which provides a transparent procedure for include part-time employment, job sharing, phased retirement, working from home, school hours work (in some areas) and flexible work hours;
- paid maternity leave (two months) and short paid paternity leave (three days), with a further two days unpaid available;
- collaborating with labour contractors at the Paraburdoo operations, to allow female operators to work flexible hours that accommodate their partners' rosters;
- developing a detailed diversity strategy; and
- working to establish improved child care facilities in Dampier and Karratha, through initiatives such as out of school care over holiday periods, and providing financial and practical support for a program aimed at establishing and promoting Family Day Care.



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# Findings and Recommendations

## Population Trends

1. Fertility rates across Australia and in WA are on a long term trend decline. While fertility rates have picked up in recent years, rates are still significantly below replacement rates, as they have been for the past 30 years.
2. Family structures in Australia have changed significantly in recent decades, with a sharp decline in the rate of marriage, and a steady increase in the age at which people choose to marry. There has also been a notable increase in the number of lone parent families.
3. The educational attainment of Australians has increased markedly over the past decade. While males generally still have a higher level of educational attainment, the traditional educational gap between males and females has narrowed significantly over the past decade.

## Labour Force Trends

4. Female labour force participation in WA and across Australia has risen over time, with a notable increase in average participation rates particularly evident in recent years as the economy has strengthened. Female participation has been largely responsible for the overall increase in participation rates, although still remains lower than for males.
5. On average, participation rates have improved for women over time, with the most significant increases in participation for females between 45 and 64 years of age. Participation rates were found to be highest for women aged between 20 and 24, before experiencing a moderate decline during the primary child bearing years between 25 and 44 years of age.
6. Female participation rates in WA and across Australia are above the OECD average, but still stand below those of 10 other OECD countries.
7. Labour market conditions across Australia have improved considerably over the past 15 years, as a result of the sustained period of economic growth. This has seen female employment grow considerably, and the female unemployment rate steadily decline. Such improvements have been mirrored in Western Australia. As a result, females have accounted for a considerable proportion of the increase in overall employment.
8. A key trend amongst the female labour force has been the increased part time employment.



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9. While the unemployment rate continues to fall, there is still a considerable proportion of the female labour force which is underemployed.
10. Collectively, the services industries employ the most females, and have exhibited strong growth in recent years. Retail trade, and health and community services are the largest employers of women both in WA and across Australia. A key trend in the female workforce in WA has been the increased importance of the government administration and defence sector as an employer of women.
11. As the WA and national economies have evolved to become more services orientated, this has seen an increase in the need for occupations such as professionals, clerical, sales and services jobs, and associate professionals. Women have been well placed to fill these additional roles. These occupations have generally represented a higher proportion of the female workforce in 2007, compared to 1997.
12. Growth in the earning potential for women is also likely to have encouraged greater female participation in the workforce, with the average weekly ordinary time earnings for women in WA and across Australia increasing substantially in recent years.
13. However, earnings among women still remain considerably lower than for men, largely due to the higher proportion of men in management and senior roles, as well as in higher paying industries such as mining, finance and insurance, and construction.

## **Employee Perceptions**

14. Respondents to the Employee Perceptions Survey identified flexible working hours as the single most important measure to attract and retain female staff, while comparable pay also rated to be important. However, a considerably smaller share of respondents believed that their current employer provided these options.
15. Almost half of respondents to the survey had left the workforce at some stage in their career. The most common grounds for exiting the workforce was to care for children, although other key reasons cited included travelling, and returning to studies.
16. Most of these women returned to the workforce due to financial pressures, while many also returned due to their desire for new challenges, or because their children were now older. However, the return to work for many respondents was limited by family responsibilities, lack of training,



qualifications and experience, lack of confidence, and inadequate salary and compensation.

## **Incentives to Encourage Female Workforce Participation**

17. Boosting labour force participation is one of the key measures identified by CCI in its *Building Human Capital* discussion paper, to ensure that WA meets its ongoing labour requirements. Increasing the labour force participation among females in particular is a critical strategy to boost overall participation rates, and add to the state's labour supply.
18. If WA's female participation rate were to increase to the average of the 10 OECD countries whose female participation rates are higher, this would lead to over 119,000 additional females being employed or looking for work in the state. Such an increase could potentially represent around 80 per cent of the expected labour shortfall going forward.
19. The notably higher female participation rates in other developed countries are largely a reflection of the generous incentives and opportunities provided in these countries for women to return to the workforce. By comparison, family policies in Australia are considerably less generous.
20. The Nordic approach is largely welfare based. While there is no single model of family policy to encourage greater workforce participation in the Nordic countries, policy is focused in three main areas of parental leave, childcare, and cash allowances.
21. The Nordic countries have also introduced statutory requirements for females on boards, to encourage greater women into senior and leadership positions.
22. In other countries whose participation rate is above that of Australia, family policies are less generous than the welfare intensive approach of the Nordic countries. However, that all of these countries (except the United States) have some form of paid parental leave.
23. Flexible working arrangements are consistently ranked as the most important factor influencing workforce participation amongst women. In workplaces where such arrangements can be implemented, this would provide employers with a larger supply of potential labour.
24. Policies used by employers to address pay disparities may increase the potential supply of labour.



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25. Affordable and accessible childcare is critical to ensure that working parents can balance their work and family commitments.
26. Both the Child Care Benefit and Child Care Tax Rebate are important ways in which the Government can assist families with the cost of child care, and therefore assist in encouraging labour force participation.
27. It is recommended that changes be made to allow child care to be salary sacrificed, in the same way that salary sacrificing is allowed for motor vehicles, superannuation and computers, none of which require a business premises test or indeed any other test except that they are work related.
28. The provision of targeted family assistance is important not only for social equity reasons, but also assist in encouraging workforce participation.
29. There is significant evidence to suggest that a paid parental leave scheme will benefit business, particularly in terms of retention rates and workforce loyalty. Despite these benefits, CCI believes that the cost of a paid parental leave scheme should not directly fall on employers.
30. CCI supports the implementation of a government funded and administered scheme of paid parental leave be implemented. The scheme should be reflective of the International Labour Organisation convention of 14 weeks paid leave at the rate of the Federal Minimum Wage. There should be no mandatory obligation for employers to top up payments.
31. Life-cycle learning that facilitates the retention of skills and enables the retraining of older aged women will facilitate greater female participation and engagement with the labour market. These programs should be held at convenient times, and result in formal qualifications, involve local businesses to ensure the skills are relevant, be of sufficient intensity to develop valuable skills.
32. Despite the vast employment opportunities created in the mining sector, women are still significantly underrepresented in this sector.
33. There are several clear impediments to female participation in the resources industry which must be addressed, including the low availability of part time work, the industry's culture of long working hours, and the remote nature of the industry.
34. Some industry specific policies which can be introduced to attract women into the resources sector include family friendly rostering patterns, reasonable onsite accommodation, increased availability of childcare in remote areas,



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eliminating tolerance of sexual harassment and bullying, and establishing a leadership program for women.

## **Women in the Workforce**

### **A Discussion Paper**

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## Endnotes

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