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Economic security for women in retirement

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SYDNEY

BY AUTHORITY OF THE SENATE

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BLACK, Ms Veronica, National Coordinator, Organising and Development, Finance Sector Union of Australia

CHAIR: Welcome. Is there any additional information you would like to provide about the capacity in which you appear?

Mrs Arnfield: I am a part-time worker for one of the big banks.

CHAIR: Thank you. We appreciate you appearing before the committee today. Would either or both of you like to make an opening statement before we proceed to questions?

Ms Black: Thank you very much for that. We appreciate the opportunity that you have given us to appear before you today, on behalf of the Finance Sector Union of Australia, to talk about the very important issue of women's economic security in retirement. With me is Louise, and she will be able to talk a little bit more about some of her personal experiences of being a part-time worker in the finance industry.

The Finance Sector Union is the union representing people who work in the finance industry, in Australia, from major banks and insurance companies through to superannuation companies and small organisations, like credit unions. The membership of the Finance Sector Union is predominantly women—almost 70 per cent of our membership are women—and many of those women are working in quite low-paid part-time jobs. As you would expect, the financial literacy of our membership is higher than workers, on average. Workers like Louise, working in retail banking, are hearing regularly from financial planners about the importance of having adequate retirement incomes and adequate amounts of money going into superannuation, so it is definitely something that is of great concern to our membership.

In preparation for this inquiry, we spoke with quite a number of our members about their experiences of superannuation. We spoke with some of our older members about how they feel about the move towards retirement and whether they feel they will have adequate retirement incomes. We also spoke to a number of our younger members about their experiences of time out of the workforce and how that is impacting on their superannuation, compared to their partner's superannuation, when they have been working for very similar periods of time in similar-level and similarly-paid positions.

Key factors within our industry, in particular, that contribute to the inadequate levels of superannuation for women are down to two major issues. One is that the gender pay gap in finance is enormous. The finance sector and health and community services seem to tag team for who has the biggest gender pay gap, in any particular year, and it is up over 30 per cent. It has been sitting at that rate for as long as I have been tracking, which is about the last 15 years. It will go up and down by a per cent here and there, but we have not seen major improvements in addressing that gender pay gap, at this stage.

The other major factor for our members is around the patterns of employment: time out of the workforce to have children, and periods of time working part time, in order to balance carers' responsibilities, including when they have small children but also care for elderly parents and relatives. The FSU has been working closely with industry to try to deal with some of those underlying issues. Some of the work we been doing over the last few years has been things like conducting joint pay-equity audits, with industry, to try to work out exactly where that gender pay gap is coming from and to try to put in place measures to start to address some of those matters.

We have also been working with employers to try to negotiate arrangements where superannuation contributions continue to be paid while parents—it still is predominantly women—are on parental leave. We have a number of our major employers in the industry, now, that are paying superannuation on both paid and unpaid parental leave. In Westpac, it is now up to two years that they will continue to pay superannuation contributions, and in the Commonwealth Bank and NAB it is a year that they will pay superannuation contributions while people are on parental leave. Some of those things are obviously helpful and are measures that go towards addressing the gap. It is still not enough, and we are still finding that women have significantly less in their superannuation over the course of their lifetimes. We have also been doing a lot of work to try and remove discriminatory provisions in the performance based pay systems, particularly those that disadvantage people who have taken an extended break, when they have children, for a year or for two years in order to raise families. We are trying to make sure they are not disadvantaged in terms of their pay levels on return to work. I am going to hand over to Louise who can tell you a little bit about her experience as a worker in the industry. Then we will be happy to take any questions you might have.

Mrs Arnfield: Thank you for the opportunity to be here today. I have been working for one of the big four banks since I was 18. I am now 56. To give you an idea, I am on about \$39,000 a year. I work four full days a week in a retail bank branch. My super is below \$50,000. I am not an exceptional case.

Women in my age group, who have stopped work to rear a family and that has had an impact on their career, are very much at the pointy end of these endemic problems that are particularly in our industry with the pay gap. I can just talk to you about my personal story: I worked for about 10 years full time before I started my family. I had to go back to work part time and at that stage I dropped about four grades to do that because it was an imperative for me that I have flexible work where I could give my full devotion to my family. There was quite a significant drop in pay. With my super contributions, up to that point, the advice given to me was, 'Just pay it off your house,' because female part-timers—and this is going back awhile—did not particularly need to do that. So the little amount I had at that stage was not put into super. So, then, I had to start from scratch again. As we say, part-timers often have to work a lot of additional hours in the banking industry but no super is paid on additional hours, and that also feeds into the problem.

I often compare myself to a very good friend who is a male who started work at exactly the same time as me. When we were at work together, before I started my family, we were on the same career trajectory. He had the same number of promotions as me—I had gone up four grades, and so had he. At this point in our lives, he has retired. He was a financial planner and he has maxed out his super. The only difference between us is that I stopped to have my family. I had those years out to care for my family and I returned to work in a part-time capacity, and that has now severely impacted my ability to be secure in retirement.

We have to look at what is going to address these problems. Giving us the ability to put more money into our super if you do not have the money, if you are living week by week, is not going to help low-income workers. That is why we need to look at different strategies to help us. We definitely do not want more women in 10, 20 or 30 years' time to be in the same situation as I am in. Thank you very much.

CHAIR: Thank you both very much for your evidence. I want to ask you about this experience of women returning to work after having children and looking for part-time opportunities. Your experience, Mrs Arnfield, is that at that point you took a pay cut and presumably a cut in the level of responsibility and career development to get part-time work. Your submission speaks about some concrete proposals you have to support women returning to the work flexibly. Can you elaborate on those and how they might make a difference for women in a similar situation to you?

Ms Black: Louise's experience in returning from parental leave to a much lower-grade job is not unusual. There was a large body of research that we undertook, about 18 months ago, in preparation for the Human Rights Commission inquiry into discrimination against women who were pregnant and on return to work.

What we found was that it was a very common experience for our members. Some of those members made what they felt was the only decision possible, to take a lower graded position in order to have some additional flexibility. Many of them were women who were looking at returning to their original positions but wanted the flexibility to do that part-time, for a short period of time, while their children were small.

When we asked people why they were looking to work part time for that period of time, the key response was that there was not the childcare availability that they needed in order to be able to return to full time work. Some had just a specific preference that they wanted to spend additional time with their children while they were small, but more than 50 per cent of people who responded said, 'Actually, I am just unable to get full time child care for an under-two-year-old, so I need to return to work on a part-time basis until I can get those additional days of childcare.'

At the moment, we are seeing some interesting talk within the industry. A number of the major employers are talking about this idea of all-roles flex and that all jobs should be able to be done in a part-time way or in a range of other flexible ways. We are finding that that is not the experience of our members and it really depends on which jobs they are in, as to whether that flexibility is provided or not. A lot of our members are just told, 'I am sorry, we do not do part time in business banking,' or 'We do not do part time in financial planning. If you want to work part time, you will need to look for a job in the retail network, and you can come back to work as a teller.' That is a significantly lower job grade. It is an entry-level grade, and we are finding that a lot of our members are coming back to much lower graded positions and then finding it difficult to make their way back from those positions to those higher-level positions later on, even when their children are in full-time care.

Mrs Arnfield: That is the point. In my circumstances, I felt I would just take this, at the moment, because it does suit my needs. It is a solution to the problem at hand and, in a few years, I will be able to step back up. But once you have gone back, it is not as simple as you think. I was in management and went right back to the lowest

grade in the bank. I have only caught up two grades in all that time, and my children are in their 20s, so that would give you an idea of that. This feeds into the gender pay gap because we have all these women who populate these lower tiers of retail. It is a common misconception that we are very well paid. That is not the case.

Ms Black: At the moment, there are provisions in the Fair Work Act that workers can request flexible working arrangements, but the right is to request, not a right to have. In fact, there is no process for appealing against a decision of your employer should they decide they are not prepared to grant you that flexibility. Some amendments to the Fair Work Act that would provide people with the right to have flexible working arrangements would go a long way to addressing some of these problems that are faced by members, like Louise.

CHAIR: Can you elaborate on what kinds of changes to the act are required and the specifics of that? We have not heard evidence around that yet.

Ms Black: There are so many provisions in the Fair Work Act. There are two things that you cannot appeal. You cannot appeal against your employer's decision to decide that they are not going to offer you flexible work, and you cannot appeal against your employer's decision to not allow you to extend your parental leave. That is a real problem. For everything else in the NES you have the capacity to have that decision reviewed by the Fair Work Commission, whereas for those two things your employer's decision, at the end of the day, is the end of the road and there is no opportunity for further appeal.

A change that said people have the right to return to flexible working arrangements, for a period of time, would be one option. The other would be to, at least, have the ability to appeal against a decision, because sometimes employers are quite short-sighted. They look at the way a job has always been done and say, 'This has always been a Monday to Friday job from nine until six. How could it possibly be done differently?' We need some way to assist them in thinking a bit more creatively about the structure of jobs and how that work can be done in a more flexible manner. Some legislative change that meant they needed to think about that would really help—a right to access flexible work, not a right to request flexible work.

Senator WATERS: Interesting. It seems quite extraordinary that of all the provisions in the Fair Work Act it is only the ones relating to women's flexible work that are unable to access the appeal provisions.

Mrs Arnfield: Yes.

Senator WATERS: That is extraordinary.

Mrs Arnfield: It is.

Senator EDWARDS: Earlier this morning we heard evidence and, Mrs Arnfield, I fully understand your position. In actual fact, during the break we were talking about the issue of a generation of women—which I see, going through life now, who are probably post-45 years of age who were not picked up in the early 90s—who were probably rearing children through that time, for 15 years, and here they are back in the workforce. Some of them are now divorced, after that period, as 50 per cent of households are these days, and they are in a really bad position. We all acknowledge in this committee, across all party lines, that this is a real issue for us as a society. Your evidence is something I am familiar with.

I am interested to know how you feel a government should go about trying to support these women through their reclining years, their retiring years, on the basis that we have three pillars to our current system. We have superannuation, we have a pension and we have private savings outside of superannuation, which is the three pillars of our retirement process and which is not dissimilar to most other Western countries. Where to from here, for government, with this group of women who are coming through society?

Ms Black: Are you specifically talking about the older group of women, here, rather than all women?

Senator EDWARDS: I am talking Ms Arnfield and her friends she went to school with and the ones who were above her at school.

Mrs Arnfield: I have spent many long hours thinking about how I am going to make ends meet in retirement. It is lucky I have a good sense of humour, because I just keep saying I will work until I die. In actual fact, that is not an answer. When superannuation was introduced it was always to enhance the pension. The pension was always going to be there and you could live off it. For this group of women we should have access to a pension that keeps up with the cost of living. I do not think there is any easy answer for us, because we are at the pointy end. It is particularly hard for people in the finance people, because we are sitting there and listening to these seminars and we feel like we are the forgotten group of people. Other than that, I do not know what the answers are, but I have some very smart friends who have answers.

Senator EDWARDS: Will the current pension system cater for you in 11 years time?

Mrs Arnfield: No. I have to try and put money into super, and there are ways to do that, but you are never going to cover that distance in the number of working years I have left. It is a matter of having access to health care and a pension and making ends meet. But the fact of the matter is, when you have been on a low income for quite a considerable time, you have also got a mortgage to pay off before you retire as well.

Senator EDWARDS: You are quite right to identify that the finance sector is a mature—in your workplace, in your seminars, where you are advising other people, it is being identified to you. Also, the finance sector is being led by, firstly, Joyce Phillips at the ANZ—I am not sure which banking institution you work with—but now I see the other two, the Commonwealth Bank and the National Bank have joined in, in top-ups. These are massively profitable companies which are mainly supported by Australian taxpayers anyway and they are owned by mums and dads, and by institutions which are owned by mums and dads of Australia, so it is another conduit. Not everybody is going to be able to get that top up. I have a daughter who is 23 years of age. She works at the ANZ bank and she will be a beneficiary of this new regime—not so for you, because there just will not be enough years for this to compound.

These are the issues that we are dealing with and, short of more money, which is hard to come by in Commonwealth and state government budgets, we have got to try and find a system between your finance sector union, the government and the recommendations which this committee outlines. Do you have any advice, any models, that would find savings in some part of the budget to allocate to that group of women that spans over 25 years, I suspect—a generation of women?

Ms Black: The focus of our attention has been on our experiences of our membership within the finance industry. I have not put a lot of thought into which areas of the government budget could be cut in order to properly fund these other areas. But we do need to properly fund pensions and we do need to properly fund health care; otherwise, we are going to have this generation of women living in poverty.

We were talking about this older group of women. It is not only the older group of women. When we were talking to our members, one of the examples we heard was of a woman who is 32. She has been working at a time when she has had the benefits of superannuation and she will continue to have those benefits. She has worked continuously since she was 18. She stopped work only to access two years of parental leave. She has got a superannuation balance of \$30,000. Her husband, who is two years younger, has double the amount that she does in super already, and a big part of that was the fact that she has had those two years out and has not been receiving superannuation during that time.

Senator EDWARDS: It must be more than that. He must have quite a high-paid job in comparison. I am not arguing semantics. When I was 30, I did not have very much at all, but then it came in in the 1990s and we were all saved.

Ms Black: That is right.

Senator EDWARDS: We are going to hear from a lot of witnesses today. We do understand what the issue is, and I have just outlined it to you. We want to hear anything you can add to this committee in a supplementary presentation on where your thoughts are and where we could find savings, because there is no magic wand. There is a money tree, but everybody wants to sit on a branch of the tree in every aspect. We are very keen to find a solution and some recommendations. Harper has made some. It is likely that everybody's attention will be focused on that. The Greens and the Labor Party have got some ideas. As the government we have got some ideas. We are very interested to hear yours.

CHAIR: Thanks, Senator Edwards. Senator Waters, are you on the line?

Senator WATERS: I have just joined a minute and a half ago. I am sorry, but I have missed all of the evidence of the witness, which is a real shame. I do apologise. I am not sure if I can usefully contribute at this point, given that I have missed that discussion, but it is all working now, so I will sit tight for a minute.

CHAIR: Senator Waters, I will go now to Senator Ketter and you let me know if you would like us to come back to you after that.

Senator WATERS: Thank you very much.

Senator KETTER: Firstly, Mrs Arnfield, I might have missed this point, but can you tell me how many years out of the workforce you had?

Mrs Arnfield: Approximately four to five.

Senator KETTER: You are still on part-time?

Mrs Arnfield: I am still on part-time work. I was working full-time until I stopped to have my first child, and I have had about four and a half years out over the period since I began, in 1977, till now.

Senator KETTER: Had you attempted to go back full-time?

Mrs Arnfield: I was always of the opinion that that would happen, but circumstances prevented that. There was not the opportunity, as well. It was simply not there. It was quite difficult. I do not want to entirely focus on the older—and I know it is a huge problem, but there are so many problems right through. We are at the pointy end of all the failings, but there are definitely many more issues across the sector. We are the poster child for the gender pay gap, and the obstacles we faced returning to work were definitely those very standout examples, of that, in my age group.

Senator KETTER: Ms Black, is it still the case in the industry that people have to drop back in rates of pay in order to go part time?

Ms Black: Yes.

Senator KETTER: So the ability to have part-time work at your current grade is relatively rare, I take it?

Ms Black: We find that many of our members are being advised that if they want to return to part-time work they should look in retail, which means go back to being a bank teller, when they may have been a small-business specialist or a financial planner or a business banker earning significantly more in those kinds of roles. They are advised that if they want part time they can work in retail.

Senator KETTER: There are some positive developments in the industry and I note you have now said all four of the major banks have arrangements whereby there is superannuation being paid for extended periods of time, for over 12 months or two years.

Ms Black: Up to two years, yes.

Senator KETTER: But there is always a dark cloud on every silver lining. You pointed out in your submission that our tax arrangements have not really caught up with that or our welfare system has not caught up with that. I draw your attention to the case study you gave us about Ella, the business analyst.

Ms Black: Thank you. I do have some more information about that with me today. I have some papers to hand up. We had heard this from some of our members. We had been negotiating arrangements, trying to make sure that we could deal with the fact that women end up with less super because they are out of the workforce for that period of time. One of the options, particularly when you have employers that can afford to pay, is that they continue to pay superannuation on that entire period of parental leave.

You would think that sounds fantastic; that is great. Then we have heard back from some of our members saying, 'Actually, while it was really wonderful to have that additional money going into my super, what has happened is that the extra money that went into super is treated differently from the SGC amounts that go in. It is being treated as income. It has pushed me into a different bracket, and I have ended up having to repay family tax benefits or I have ended up having to repay school kids bonuses and other kinds of payments that are in place.' It took me some time to get to the bottom of why this was the case or how this came to be, which is the information that Kelly has provided to you today.

It appears that there was a change made to the Family Assistance Act in 1999. The attempt was to try and capture situations where you had high-income earners who were in positions where they were able to influence the decisions of their employers to put a large portion of their income into superannuation, for taxation reasons but also to enable them to continue to access benefits. What has ended up happening with that is that there is a whole range of things that are now impacted.

This additional superannuation is treated as reportable superannuation contributions, and the reportable superannuation contributions are treated as adjustable taxable income. That can bump those low- and middle-income families over the threshold to access quite a large number of family benefits. Some of the obvious ones are your family tax benefit A and B, but also childcare benefits, but I have provided a full list, at appendix A, of all of the different benefits that are impacted by this reportable superannuation-contribution amount.

While it is reasonably clear, when you are reading through, that the intent of the legislation is to try to prevent those high-income earners from playing around with the distribution of their income—in order to access benefits or minimise tax—the consequence is that these kinds of measures being negotiated to try to mitigate the effect of time out of the workforce for low- and middle-income women are having this negative effect. They will have money later on when they retire, but that makes it very difficult to balance the household budget at a time when they are often on no income for a period of time while they are off work with those children.

It seems it is about the way a number of different pieces of legislation interact, so to address this problem really requires having a look at a combination of the family assistance act, the superannuation guarantee act, the Taxation Administration Act and the Income Tax Assessment Act. It is a little bit in each of those that contributes

to this overall. I think that to address this effectively we would need to make sure that there were some changes made to ensure that additional employer payments, which are being made specifically to try to address gender inequity in retirement, are not treated as reportable employer superannuation payments for the purposes of those family assistance payments.

Senator KETTER: Thank you very much. I was going to ask you to touch on appendix B but, as you have indicated, it is not a simple change of word here or there. There are three different pieces of legislation that we need to look at in combination.

Ms Black: It is. I am not a lawyer, so I did not attempt a redraft but, in having a look at the different pieces of legislation that interact to result in this particular situation, it is difficult. What we are finding is that the way the banks have now set up those additional payments is that they have made it an opt in, because they know that, for some people, receiving that money is going to make it difficult for them to be able to balance their household budgets day to day. So we have some women who do not necessarily realise what the impact is going to be, who take that additional super, and then find that they owe a lot of money. Then we have got other women who would be eligible for this additional super who are just saying, 'I can't accept that additional super because it's going to blow these things out and make me lose access to the various assistance that I am receiving from the government right now that is so essential for me to be able to meet my weekly budget'.

Senator KETTER: So it is families that are on the threshold, I suppose, who are pushed over that threshold by this super payment that disadvantages them?

Ms Black: Yes, because it is treated as part of their income, not treated in the way that superannuation is normally treated.

Senator KETTER: Is there evidence that people are getting proper advice, first, before being offered the option of having additional superannuation payments?

Ms Black: Not really. The people that we heard from about that were surprised when it happened, when they found out that they had to pay back the additional money. So you would think that, if they had had proper advice, then they would not have been surprised by that.

Senator KETTER: Mrs Arnfield, I was going to ask you to clarify your comment about the fact that, when part-time employees do additional hours in the industry, superannuation contributions are not paid in relation to those extra hours. Is that because those additional hours are treated as overtime?

Mrs Arnfield: In my bank they are not treated as overtime, they are just paid at ordinary rates and additional hours, and super is not paid on them. We have had quite a few back-and-forth negotiations about that, but they do not think that they have an obligation to pay it on that, so they do not.

Senator KETTER: I think that is subject to legislation rather than enterprise agreement.

Ms Black: The additional hours are not their ordinary time earnings, because they are not rostered to work those additional hours. They are over and above, so they are in effect overtime because they are over their normal number of hours that they are employed to work. However, it is one of the unfortunate quirks of many of the agreements in our industry that part-timers can work additional hours and do not receive the overtime rates until they hit full-time hours, and overtime rates are paid from the full-time number of hours onwards.

Senator KETTER: Perhaps we should have a talk about this offline, because I am familiar with this issue in retail as well where the terminology is that part-timers 'flex up' a certain number of hours, and they may or may not receive an additional penalty rate treated as ordinary hours, so I would have thought that that attracts the superannuation contribution.

Ms Black: It is not attracting the superannuation.

Senator KETTER: Well let's have a look at that one.

Ms Black: Yes, great.

Mrs Arnfield: Thank you.

CHAIR: I have a follow-up question. I think, Mrs Arnfield, in your earlier remarks you touched on the fact that solutions to this problem cannot rely on low-paid women finding extra money to top up their super balances. Could you elaborate on that. That proposal is in the public domain and is under active discussion at the moment.

Mrs Arnfield: Yes. Women who are higher earners can definitely do that, but for those at the other end of the spectrum there just isn't the money to put there. It is not a solution at all because we are going from payday to payday. I have daughters in their 20s who are casual workers trying to get through university. I am supporting that. That is not an unusual situation in these times. There are a lot more demands on mature aged women these

days. Caring responsibilities, and the financial impacts of raising your children, go a lot longer these days. So there is simply no money left over to put towards super. We do have to come up with some sort of solution. I have spent a lot of time thinking about it but I do not know what the answer is.

CHAIR: Yes. If over her lifetime a woman is earning significantly less than a man in an equivalent role, for a range of reasons, it seems unhelpful to say that the answer to inadequate superannuation is simply for more of that smaller wage to be put aside for retirement.

Mrs Arnfield: It is not going to happen. Even if that provision is made, it would just be rubbing salt into the wound. Women in my age group have been affected over their working lives. They have worked very hard and committed to raising a family and continuing to work. We simply do not have the money to put there.

Senator WATERS: I have had a look through your submission, and thanks for your evidence today. Could you expand on your recommendation about incentivising employers to make additional super contributions to women, including during either paid or unpaid parental leave. In what manner do you envisage such incentivising and how could it be done?

Ms Black: We have mostly been working with large and very profitable organisations, who have the capacity to pay. Financial incentives are not necessarily important to them. Recognition for the work that has been done is important to them. All of them are very interested in being recognised as employers of choice for gender equality. These sorts of citations and recognition—and being able to demonstrate that they are doing the right thing—are very important within our industry. They use that as a way to attract good staff. Also, being able to attract goodwill from the community is important. I think that for smaller employers there might be other kinds of recognition that are required or other kinds of incentives. I think that for some of these larger employers that sort of public recognition is a very good way to incentivise employers to make these kinds of arrangements.

Senator WATERS: Are there any barriers to larger employers—or smaller ones, for that matter—making additional super contributions? We have had a bit of a look at the anti-discrimination provisions and it seems to us that there is some lack of clarity as to whether specific permission needs to be sought for an affirmative action measure to pay additional super. Do you have a view on that?

Ms Black: ANZ recently announced that they were going to start paying \$500 per year into the accounts of all of their female employees, and that that would be done at the start of each year. They have been able to negotiate their way through that. I think that comparing large banks with other organisations is not always helpful because they do have access to high-level legal support when they need it to be able to work out what they need to do to navigate their way through. So I think some clarity around that to enable smaller organisations that may not have that same access to legal support would probably be useful.

Senator WATERS: Fair enough. Lastly, I am interested in your support for and your discussion about the WGEA gender pay gap reporting, which applies predominantly to large employers. What has been your experience of the coverage in the financial sector? Do you see that as providing a benefit? Is it going far enough? What has been the reaction of the stakeholders, in your experience, to those reporting requirements?

Ms Black: Again, there do not seem to be objections from the employers in our industry to this reporting. In fact, when there was a suggestion that there would be some winding back of reporting requirements earlier in the year we saw a number of the major bank CEOs who were involved in the chairmen of change program actively speaking out about any winding back of that gender reporting, which I think is a very positive thing. I guess my concerns around that have been that we are very good at getting reporting done around these matters, but there is often a big gap between knowing the information, reporting the information and something happening to make a difference.

As I said earlier—it was before you were on the line, unfortunately—I have been tracking the statistics around the gender pay gap in finance for around 15 years now. It has been sitting at close to or just over 30 per cent for that entire time. Every year finance employers are named as employers of choice for gender equality—it used to be Employer of Choice for Women; it is now called Employer of Choice for Gender Equality—yet we are not seeing any substantial change to that gender pay gap. That is something of concern to me—that it does not go far enough.

Of course it is important that that information is publicly available. The public reports that are issued do not provide all of the information. They provide some, but there are other reports that they need to put in that actually contain the detail of the gender pay gap grade-by-grade and so on. That information is not publicly available, but it would be helpful if it were, in order to get to the bottom of those sorts of problems.

What we have found with the banks we have worked more closely with is that they are really incredibly broad and there is no 'one size fits all' answer. In one of our pay equity audits we were looking at business banking

within one of the big four. We found that there were issues in relation to pipeline roles and just not having enough women moving through. There were issues in relation to time-out for parental leave. Sometimes people would take a year off on leave but, because they are on performance based pay, if that leave was before a pay review they would miss the pay review for that year. They would come back and it would be time for a pay review, but they would not have been back long enough. So they would end up missing out on up to two years of pay increases when they had taken a year off to have a baby. You just do not catch up on that again.

There has also been a lot of work on unconscious gender bias, the rates of pay that people are being employed at when they first start and the rates of increases they are receiving on promotion and so on. While it seems like there is a lot of time and attention being put into reporting requirements into programs like looking at that unconscious gender bias, it is not necessarily seeing the sorts of outcomes in terms of closing that gap that we so desperately need to see if it is going to make any really impact on the women in our industry.

Senator WATERS: I agree and thanks for raising all of those issues, but particularly on the unconscious gender bias. I concur that there is certainly a lot of discussion and that is coming into the public domain now, but as you say, it is not yet delivering outcomes. What do you think, policy-wise, we need to do to redress the gender pay gap and statistically that unconscious gender bias?

CHAIR: I am very much looking forward to your answer, but we might have to leave it there because we are running out of time, I am afraid. This might be the last question, Senator Waters.

Senator WATERS: Thanks. If I could just get an answer to that last one, that would be lovely.

Ms Black: Certainly. From the research that I have read into gender pay equity, one of the key things that seems to make a difference is transparency. If people are very clear on who is being paid what for doing what job, that makes a difference. There is a massive culture of secrecy in the finance industry. People are explicitly told that they are not to discuss pay outcomes with their colleagues, and you will have two people sitting side by side doing the same job on very, very different pay arrangements. As long as that secrecy continues, then you continue to see those kinds of issues. I think that, once it is out in the open and people are clear that they are being treated in an unfavourable way compared to others, it is harder for organisations to continue to justify paying people so differently when it is as clear and out there as that. I think that transparency is a big one.

I think making sure that there is access to flexible working arrangements at all job levels, at all ranges within an organisation is another really big one. As we were discussing earlier, we are finding that a lot of our members go back to work, after having children, on much lower graded positions and never work their way back into the positions that they were in previously. So, I think having transparently of pay data, absolute transparency, and having access to flexible working arrangements at all levels within an organisation would certainly go some way to addressing the problem.

Senator WATERS: Lovely. Thanks very much for that. I have a bill to address the pay transparency issue and I will have a look at the flexible working stuff too. Thank you very much.

CHAIR: Thank you, Ms Black and Mrs Arnfield. That was terrific testimony and we appreciate you being here today.