

## Pay Equity- The Business Case

Due to an ageing workforce, Australia will experience ongoing labour and skills shortages, irrespective of short term economic fluctuations.

- Companies lose talented female staff due to unfair remuneration practices.
- Women now represent over 60% of university graduates and therefore make up a large proportion of new talent entering the market.<sup>1</sup>
- Pay is one of the key factors affecting motivation and relationships at work; satisfied staff equal higher productivity.<sup>2</sup>
- Evidence shows that gender equality in the workplace reduces costs to the employer through reduced turnover, and lowered employee absence and risk of employee litigation under discrimination legislation.<sup>3</sup>
- Despite a general lack of pay transparency, employees and the general community are aware of the pervasiveness of pay inequity within workplaces.<sup>4</sup>
- The majority of Australians believe that the gender pay gap needs to be addressed; 80% of the general community and 96% of the business community believe that action must be taken to close the gap between men and women's earnings.<sup>5</sup>
- Leading businesses recognise the value of gender pay equity as an attraction and retention tool and therefore have a competitive advantage within their industries.
- Businesses need to be aware of new equal remuneration provisions in the *Fair Work Act 2009*<sup>6</sup>

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1 GradStats (2008), available at <http://www.graduatecareers.com.au/content/view/full/24>

2 EOWA (2008) Generation F: Attract, Engage, Retain; available at [http://www.eowa.gov.au/Information\\_Centres/Resource\\_Centre/EOWA\\_Publications/Generation\\_F.asp](http://www.eowa.gov.au/Information_Centres/Resource_Centre/EOWA_Publications/Generation_F.asp)

3 Ng, ESW & R. Burke, (2004), "Person-organisation fit and the war for talent: does diversity management make a difference?" *International Journal of Resource Management*

4 EOWA & Diversity Council Australia, (2008), *Auspoll Survey on Pay Equity*

<sup>5</sup> EOWA & Diversity Council Australia (2008), *Auspoll Survey on Pay Equity*

<sup>6</sup> Part 2.7

<http://www.comlaw.gov.au/ComLaw/Legislation/Act1.nsf/all/whatsnew/40A41410F3DF7719CA25759E0011E7FF?OpenDocument>