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Financy Women's Index[®]


A DATA DIGGER SCOOP

SEPTEMBER – DECEMBER 2018

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The Financy Women's Index measures and tracks the economic progress of Australian women on a quarterly basis.

In this December quarter, the following report is focused on wrapping up the significant events and progress in 2018, but it also presents fresh insights particularly on educational pursuits and workplace trends.

The Women's Index report provides commentary around six pillars that feed the quarterly progress score, while also giving suggested actions to support the financial wellbeing of women and address common areas of economic disadvantage.

The Women's Index analyses government and industry statistics on tertiary education, employment, workplace participation, wage disparity, superannuation and gender diversity on the boards of Australia's largest listed companies.



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Inspiring women through insights
to live more courageously & confidently
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WOMEN'S ECONOMIC PROGRESS IN 2018

The most significant developments in women's economic progress for 2018 weren't made by companies or even government, they were made by Australian women.

The number of women working full-time surpassed 3.21 million for first time ever this December quarter. This is about 200,000 better than at the start of 2017, and has likely been driven by a combination of cost of living pressures but more importantly greater opportunities and an extraordinary element of social empowerment.

In addition, more women than men are pursuing educational qualifications beyond high school (55% v 45%), with the fastest tertiary enrolment growth in fields linked to higher paying career pathways.

However the rate of progress in educational attainment is not being matched in the labour force, which suggests that a lot more work is needed at a business and society level to address the long-standing imbalances that have been holding women back.

Both of these developments come during a global movement for women, which reached a tipping point with the social media hashtag #MeToo in late 2017, in a demonstration of the widespread prevalence of sexual assault and harassment, particularly in the workforce.

The movement has energised debate around women's economic security and workplace gender diversity in 2018.

In particular, headlines like "boardroom gender wars" emerged early in the year and debate raged over sexism and leadership governance as the Royal Banking Commission led to the resignation of AMP Chair Catherine Brenner and other female directors at the company.

This disruption did little to derail a push by the Australian Institute of Company Directors (AICD) for 30% female representation on ASX 200 boards by the end of 2018. That target is now close to being achieved.

This brings me back to the record number of women at work, which combined with more women in leadership, pushed the national gender pay gap to a 20-year low of 14.6% this year.

The pay gap and gender diversity became heightened political issues in the first half of 2018 as the Federal Opposition vowed to put more women into senior public positions, deliver actions on pay equality and axe the goods and services tax (GST) on tampon if elected in 2019.

The Federal Government responded in August by moving to abolish the tampon tax and in November, it put women's economic security on the agenda with the release of the Women's Economic Security Statement and \$109 million in funding initiatives.

In it there is a distinct focus on domestic violence victims and helping them achieve financial independence, as well as measures to boost workforce participation rates beyond current record highs and help support more women in business.

Overall 2018 has been a pivotal year for progressing the financial wellbeing of Australian women and recognising the economic disadvantages many face. The challenge now lies in keeping that momentum going through actions in 2019.

Bianca Hartge-Hazelman

Founder of the Financy Women's Index



LEADERSHIP THOUGHTS ON 2018 PROGRESS

I don't go out to lunch much but recently I spent some precious time with Adrian Stewart, Executive Vice President and Head of PIMCO Australia and New Zealand.

One of the issues we touched on was the challenge of bringing genuine diversity and inclusion into our work environments. Not just gender diversity but valuing a blend of personalities, backgrounds and talents.

Importantly, ensuring that undertaking an inclusion agenda does not mean disenfranchising other constituents in the process. There is no benefit to supporting women in our workplaces if it is to the detriment of men.

There is room for everyone, but the Financy Women's Index highlights we need to make more room for women on boards and in management as a start.

In my leadership note last quarter I said language, or rather the abolishment of language such as nicknames like "Benno, Killer" in the work environment was the change that has made the biggest cultural impact to OneVue. So I asked Adrian what was the most important thing he had implemented to bring diversity to his organisation.

He said "ensuring that every executive search firm he deals with puts forward an equal number of men and women for any role needing to be filled". This process alone meant he no longer needed to strive for diversity, it happened naturally because talent is found equally in men and women; a simple idea, but transformative of the outcome. Importantly in a new line of business this process resulted in appointing 60 new people - 54% women and 46% men.

I am again encouraged to see the slow but steady progress reported in this quarter's Financy Women's Index. What gave me the most confidence that we are heading in the right direction was the number of women enrolling in technical fields of study, like Information Technology (IT) up 71% over five years.

If you, like me think that technological innovations like AI (Artificial Intelligence), data analytics, and robotics will pay a big role in all of our futures, it's great to see that women will play an increasingly important role in making a difference. Individuals like Dr Catriona Wallace of Australian listed fintech, Flamingo AI, who ensures there is gender balance in AI are already setting the trend.

So yes the pace of progress of women slowed slightly this quarter but like investment managers, short performance is not an indication of longer-term performance.

I am more hopeful than ever that real change is happening as a record number of women in full-time employment emerges and those young women in technology fields blossom.

Connie McKeage
CEO
OneVue



ECONOMIC EQUALITY

The FWX Progress Target is an aspirational guide of what economic equality might look like in Australia if we keep the rate of progress up

The 173.3 point FWX Target is based on there being no gender gaps in wages and superannuation, as well as gender equality on ASX 200 boards, increased female workforce participation and full-time employment and continued relative growth in tertiary education.

Progress Target
173.3
POINTS

December result remains 37% below FWX Progress Target

Sept. Result
126.3
POINTS



The average lifetime gender gap in superannuation savings remains disappointingly wide, particularly for women nearing retirement.

WEALTH

37%

Average super gap for women 55-64 years



34%

Average lifetime super gap

National gender pay gap narrows to 20-year low as more women participate in full-time workforce. Construction records biggest fall per industry in gender pay gap.

14.6%

Gender pay gap



WAGES

↓5.1 percentage points

Construction pay gap down

Record number of women in full-time employment, but female representation on the boards of top listed companies dips in second half.

WORK

3.21 MIL

Women in full-time work



28.4%

Women on ASX 200 Boards

Significantly more women than men enrolling in tertiary studies. Technology courses record fastest short and long-term growth among women.

↑28%

Information Tech Enrolments up



EDUCATION

839^k

Women in tertiary studies

KEY RESULTS

December report 2018 – Released at 5am Wednesday December 19

Key findings

- **The Financy Women's Index improved 0.2 percentage points in the December quarter to 126.3 points.**
- **The December result builds on the women's economic progress score for 2018, which is 4.4 points higher for the year.**
- **The 2018 result was helped by record female full-time employment and workforce participation, as well as record tertiary enrolments.**
- **But the annual pace of progress is 1.7 points lower in 2018 and travelled at its slowest pace since 2014.**
- **Australian women are unlikely to achieve economic equality until at least next decade as long-standing imbalances persist.**

The economic wellbeing of Australian women maintained steady progress in 2018 but the momentum eased to its slowest pace in nearly four years.

The result suggests that more supportive measures at a government, workplace and individual level are needed to aid the economic progress of women across the five areas that underpin the Financy Women's Index, being Education, Work, Pay, Leadership and Wealth as measured by Superannuation savings.

The Financy Women's Index, supported by Data Digger rose 0.2 points in the December quarter to 126.3 points and reflects a 4.4 percentage point improvement on 121.9 points in December 2017.

The key drivers of women's economic progress during 2018 have been record full-time employment and participation, more women pursuing higher educational qualifications and a record low in the gender pay gap.

A significant gender gap in retirement savings continue to weigh on the Women's Index, as does a slowing in progress in corporate board appointments.

Education data shows more women studying beyond high school and that technical fields, which tend to provide pathways to higher paying careers, are increasingly sought after.

In 2017 there were 839,278 women and 673,401 men, representing 55% v 45% of student enrolments respectively.

There was also a 28% jump in the number of women studying Information Technology (IT) compared to a 6% increase in women enrolling in Health and 1% drop in Education studies.

KEY RESULTS

Trends suggests that in the years ahead we are likely to see more women use their educational attainment as a pathway to work in IT roles or within that sector, which has also recorded a spike in the number of female employees.

The number of women in full-time employment hit a new high of 3.21 million in the second half of 2018, outpacing the level of male full-time employment growth.

CHART 1: Financy Women's Index by Quarter

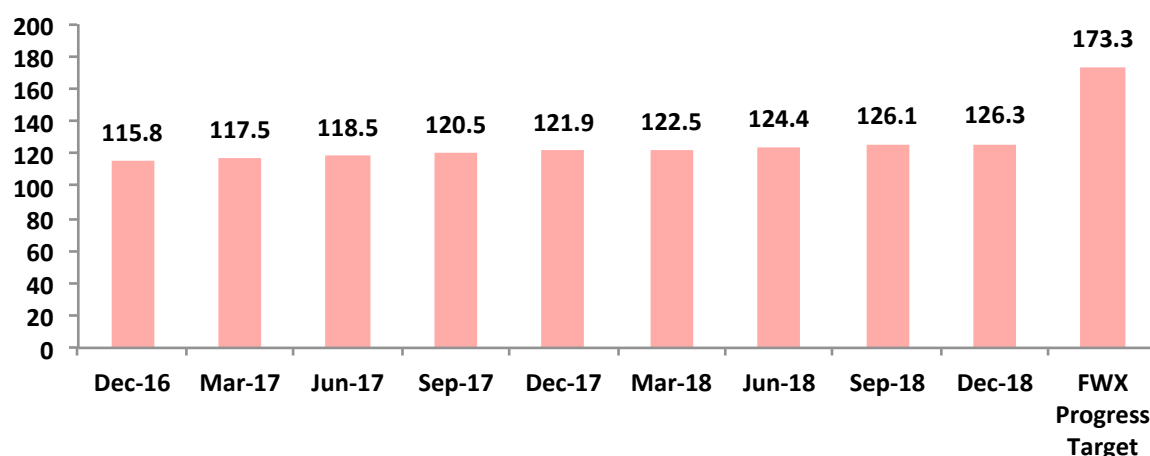
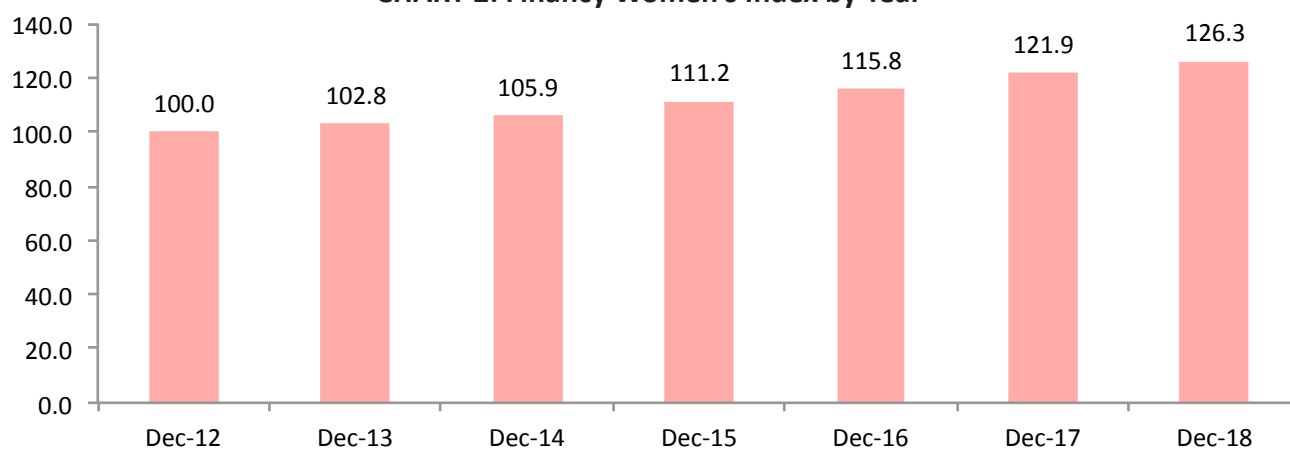


CHART 2: Financy Women's Index by Year



Source: Financy, December 2018

The Financy Women's Index tracks progress of economic indicators affecting women on a quarterly basis from 2017. Previously, yearly targets have been used. Revisions to the Financy Women's Index are made in each quarter based on official data revisions and corporate board actions that underpin the report. Data enhancements may also lead to revisions of the Women's Index.

**FWX Progress Target: We acknowledge there needs to be caution, and indeed is likely to be some debate around the FWX Progress Target, particularly given long-standing imbalances in the labour force and with superannuation. The fact that women have children and are more likely than men to take time off work to be the primary carers, is why the full-time employment percentage is set at 70%.*

This is likely to undergo further review in 2019 as we consider changes in work, leadership, social norms and family dynamics. The number of women employed in full-time work in turn affects the wage disparity, as well as superannuation savings. To that point, we still feel it is important to set the FWX Progress Target to help bring further context to quarterly benchmarking.

KEY RESULTS

The participation rate also increased to 60.5% in October 2018, from 60.1% 12 months earlier.

The three biggest industry employers of women in terms of growth rates over 2018 included Construction up 23%, Public Administration and Safety up 22% and Mining up 20%.

The sectors that recorded a widening of the gender pay gap in 2018 were Health Care and Social Assistance up 2.2 percentage points, Other Services (consisting of personal care services; religious, civic, professional services) up 1.9 percentage points, and Mining up 0.9 percentage points.

The sectors which reduced their gender pay gap in 2018 were Construction down 5.1 percentage points, followed by Accommodation and Food Services down 2.5 percentage points and Arts and Recreation Services which fell 3.7 percentage points.

Overall improved wages and job outcomes for women at the start of 2018 helped the national gender pay gap fall to 14.6% in 2018, from 15.2% in 2017.

The number of women occupying ASX 200 board positions is down slightly to 28.4% with the pace of progress stalling in the second half of 2018.

The superannuation gender gap persists with women falling 34% behind men at retirement age, as the retirement savings pool grows to almost \$2.7 trillion.

When the December result of the Women's Index is compared to the (FWX) Progress Target of 173.3 points, it shows that on the basis of current trends we're still at least a decade away (37% short) from achieving economic equality in Australia.

TABLE 1: Financy Women's Index breakdown

Quarter	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18
Financy Women's Index	100.0	102.9	105.9	111.4	115.8	121.9	126.3
Female & Male Average Salary Disparity	100.0	100.3	98.9	100.5	102.0	103.0	103.7
Employment - Full-Time Work	100.0	99.5	100.9	105.6	105.5	111.2	113.7
Employment - Participation Rate	100.0	99.4	100.1	101.7	101.1	103.5	103.2
Education - Tertiary Index*	100.0	104.2	108.5	111.3	115.0	123.1	n/a
ASX Top 20 Board Representation Index	100.0	112.3	125.3	140.9	163.0	168.8	184.4
Superannuation*	100.0	101.6	101.6	108.2	108.2	n/a	n/a

*Note: * Due to the differences in the timing of data, certain parts of the Women's Index will be carried forward each quarter.*

TERTIARY EDUCATION

Most significant has been the continued progress in the number of women bettering their education qualifications by enrolling in tertiary studies.

The latest Department of Education figures for the year to the end of 2017, which are released in November 2018, show that 839,278 women (55%) and 673,401 men (45%) enrolled in tertiary courses, representing a 4% increase in total yearly enrolments for women.

Tertiary education captures university and vocational courses. Over the last decade, women aged 18–64 years have been consistently more likely than men in this age group to have attained a Bachelor Degree or above, according to the November 2018 ABS Gender Indicators Report.

While more women are enrolling in tertiary studies, and technical fields at a faster pace than men, female students only represent about one-fifth of enrolments in Information Technology and Engineering fields.

Female enrolments are most concentrated in the health and education fields, where they represent nearly three-quarters of enrolments, and in society and culture fields, where they represent two-thirds of enrolments.

The number of women who enrolled in Information Technology (IT) rose 28% in the 2017 calendar year, compared to a 19% increase for men.

By contrast, female Education course enrolments fell 1% over the year but rose by 3% in male student enrolments.

The growth in women enrolling in Information Technology courses has now become a trend over

the past five years with female enrolments up a significant 71%, compared to 57% for male students in this period.

While the rate of growth in IT enrolments is coming from a low base of only 16,580 female students compared to 63,581 male students in 2017, it's a 68% improvement on 2011 when there were only 9,891 women enrolled in IT.

This jump suggests that efforts to encourage more girls and women to study Science, Technology, Engineering and Maths (STEM) subjects is having an impact and we expect to see more women working in industries related to these fields in the years ahead.

Health remains a popular subject for women although the annual pace of female enrolment growth dipped to 6% in 2017 compared to 7% in 2016.

However over the past five years to the end of 2017, Health has been the third fastest growth area with female enrolments up by 36% compared to 29% for men.

Health has double the number of female enrolments than it does male students with 180,389 women studying in this field and making up 73% of total enrolments.

Society and Cultural Studies continues to have the biggest concentration of women with 208,261 female students, up 4% on 2016, while Management and Commerce has seen a 2% increase in female enrolments to 190,004 in the year to December 2017.

TERTIARY EDUCATION



Suggested actions to improve the progress of women's tertiary education:

While the news on female educational attainment, and especially the shift towards traditionally male-dominated fields, continues to be good, there is a long way to go.

Measures to increase awareness of expected graduate and workforce salaries among prospective female tertiary, and high school students remain needed to ensure that women consider and are informed of the potential financial aspect of their decisions.

In addition, greater awareness raising is needed of trending and new career opportunities, plus the incentives on offer to attract more women into less traditional career pathways that may be linked to higher paying industries.

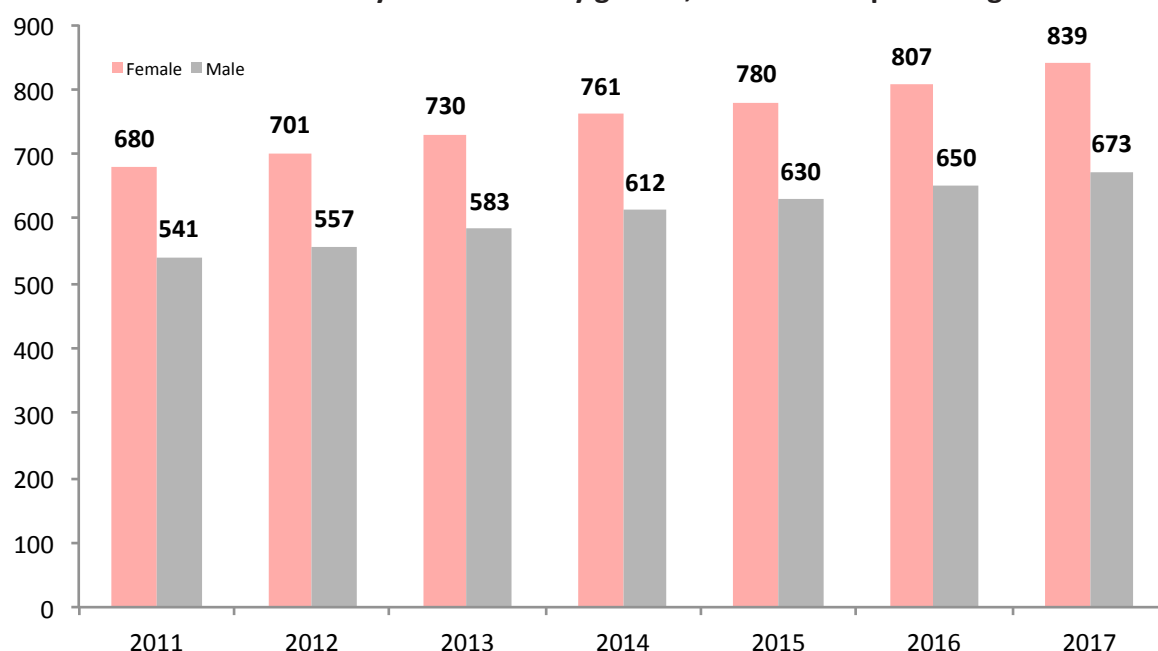
Roger Wilkins Deputy Director of the Melbourne Institute of Applied Economic & Social Research at the University of Melbourne said for much of the past two decades, educational progress for women has not delivered nearly the same degree of labour market progress.

Government, education bodies and business need to consider supportive measures that ensure the pool of women obtaining higher educational qualifications are moving through to the labour market and are also encouraged to return to work after career breaks to have children.

Mr Wilkins adds that policies and awareness campaigns that promote men taking a greater role in raising the children, and undertaking other household work, and which increase the use of childcare will probably help address out dated but persistent gender norms.

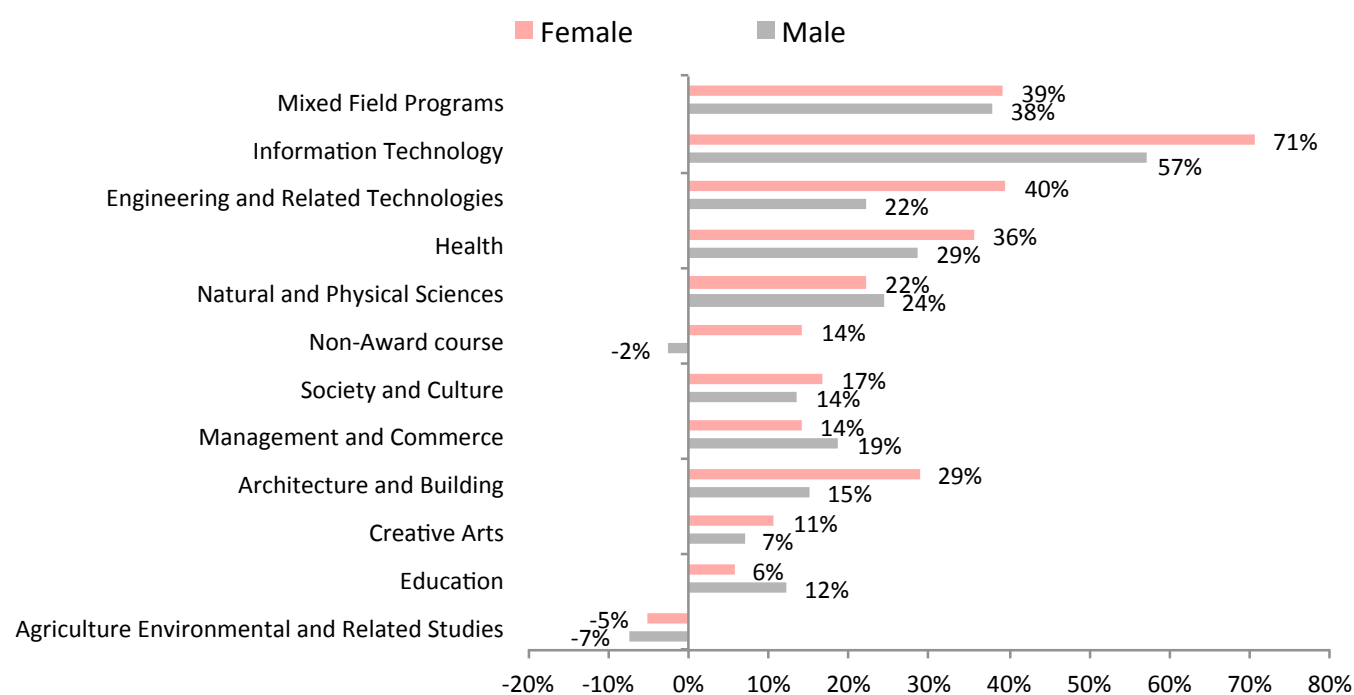
TERTIARY EDUCATION

CHART 3. Tertiary enrolments by gender, number and percentage



Source: Dept of Education, Financy and DataDigger.com.au, November 2017

CHART 4. Average five-year growth in course enrolments



Source: Education.gov.au Ucube, Financy, November 2017 data reported November 2018

WOMEN IN THE WORKFORCE

2018 has been a standout year for women at work with a record number in full-time employment and participating in the Australian workforce.

The number of women working full-time hit a new high of 3.21 million in the December quarter, up from 3.16 million in the previous quarter.

The pace of full-time employment growth among women rose by 4% in 2018 and has outpaced men (+2%) in the 12 months to October 2018.

By contrast, part-time employment growth among men and women grew at the same pace by 2% in 2018.

That result was affected by a moderation in the number of women in part-time work and an acceleration in men working part-time in the second half of this year.

There were 2.73 million women employed in part-time work in October of this year, compared to 2.74 million in August, and 2.69 million in October 2017.

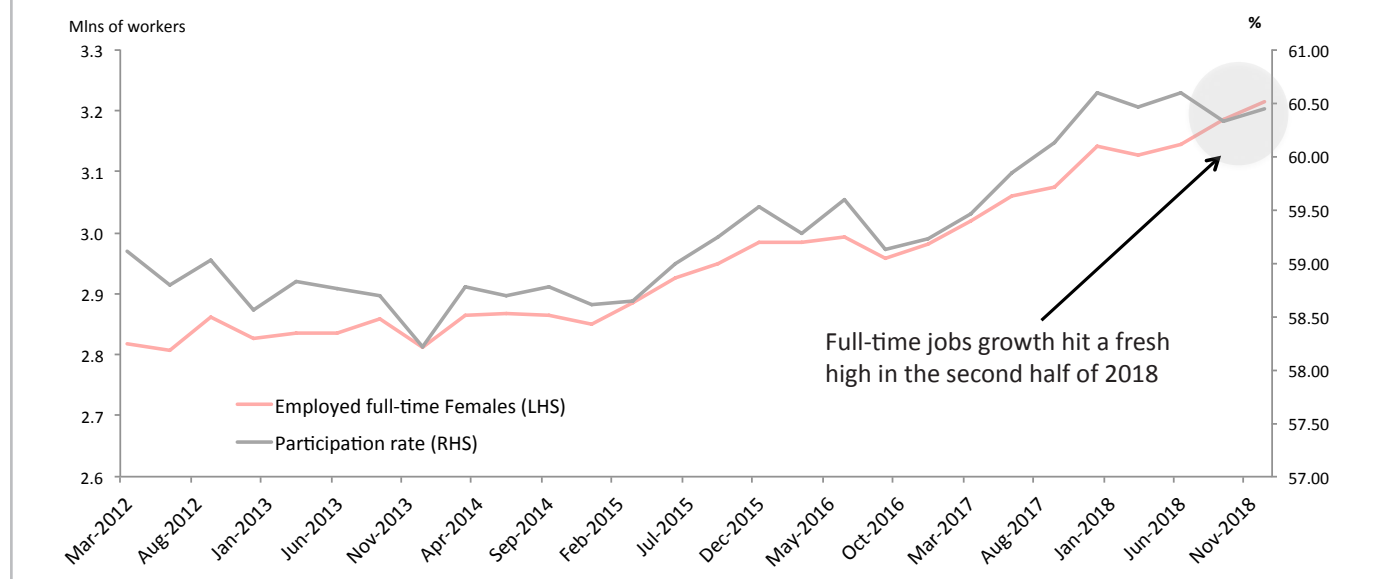
The number of men working part-time fell to 1.24 million in October, from 1.25 million in August. But is higher than where it was 12 months ago at 1.2 million.

The number of men in full-time work rose to 5.49 million over the same period from 5.45 million in the September quarter, and is up from 5.37 million over the past 12 months.

The total male participation rate rose to 70.9% in October, up from 70.6% in October 2017, while the female participation rate rose to 60.5% in October 2018, from 60.1% 12 months earlier.

By contrast, the male participation rate has fallen by 1.8 percentage points since August 2008, and may be influenced by more men taking on primary caring responsibilities and possibly older generations retiring from the workforce.

CHART 5: Participation rate up as full-time numbers hit record high



Source: ABS, Financy, Data Digger, December 2018

WOMEN IN THE WORKFORCE

The biggest employer of women, Health Care and Social Assistance, hired 3% fewer women with 668,000 full-time female employees in the latest quarter, down from 688,681 in November 2017.

There are 1.32 million employed in this sector compared to about 360,000 men.

The incremental increase in women working full-time is likely to reflect changing workforce and family dynamics; such as an increased tendency for women to work into motherhood, as well as increased casualization of jobs and a move towards more flexible work hours.

It also suggests that incentives and greater childcare assistance aimed at encouraging more women into the workforce are having an impact.

Higher cost of living pressures, particularly in utilities like water and electricity services, health and property, may have also led to a rise in dual income families.

Data suggests there are more women than men who want to work but who are currently unable to do so. This may be due to many factors notwithstanding finding work that doesn't conflict with parental responsibilities.

The labour force underutilisation rate in Australia was higher for women aged 15-64 years old in October, (16.2% Oct 2018 v 16.5% Oct 2017) than it was for men (11.5% Oct 2018 v 12.4% Oct 2017) according to the latest ABS Labour Force Trend data. This underutilisation rate reflects the number of people who are unemployed or underemployed and who want to work more hours.

Suggested actions to improve the progress of female employment growth:



Action should continue to be taken at the organisational, industry and government level to encourage and support more women's participation in the workforce, and in senior levels of employment.

Organisations can set targets on the number of women employed across businesses, and at senior leadership levels; and develop specific strategies to achieve these targets.

Heidi Sundin Director of the Agenda Agency says strategies may involve changing mindsets and culture around women and men in the workplace; building capability in inclusive leadership; normalising flexible work; encouraging more men to take up flexible work and parental leave; making more part-time roles available; and reducing gender pay gaps.

In addition, continued support is needed by employers to enable women and men to play active roles in parenting and other caring roles, through paid parental leave, payment of superannuation while on leave; and well thought out return to work programs.

Industry initiatives may include; co-funding school and university scholarships for women; developing industry tools and resources to support gender equality capability; development of industry wide employee value propositions; showcasing women in the industry; and providing women's networking opportunities.

GENDER PAY GAP

Australia's gender pay gap fell to a 20-year low in 2018 as the number of women in the workforce increased, their participation rate rose and employers took action to address wage disparities.

The gender pay gap as measured by the ABS Average Weekly Earnings data fell to 14.6% in May (as reported in August), compared to 15.2% in November 2017 (as reported in February this year).

The result was helped by improved employment growth and a closing of the gender pay gap in 9 sectors of the economy, compared to a widening of the gap in 7, while only 1 sector was unchanged.

The national gender pay gap is the difference between women and men's average weekly full-time earnings, expressed as a percentage. Trend data is used here.

The average full-time working woman earned \$1433.60 a week as of May.

This is still much less than the \$1678.40 average full-time weekly earnings for men.

Mining remains the highest paying sector for women with an average full-time weekly wage of \$2201 as of May, but that is 0.4% less than in November 2017.

The gender pay gap in Mining also widened over 2018 by 0.9 percentage points and stood at 16.9% in May.

There are now 34,000 women working in Mining full time, compared to 28,400 in November 2017.

The sector recorded the third fastest employment growth for women over 2018.

Information Media and Telecommunications is now the second highest paying sector for women, with the average weekly full-time wage up 2.1% on November 2017.

In this sector, the average full-time female employee earned \$1687.4 a week in May, compared to \$2069.5 for the average male employee.

The gender pay gap in this sector also improved to 18.5% in May, which is down 0.6 percentage points from November 2017.



GENDER PAY GAP

CHART 6: Average full-time weekly earnings in \$A

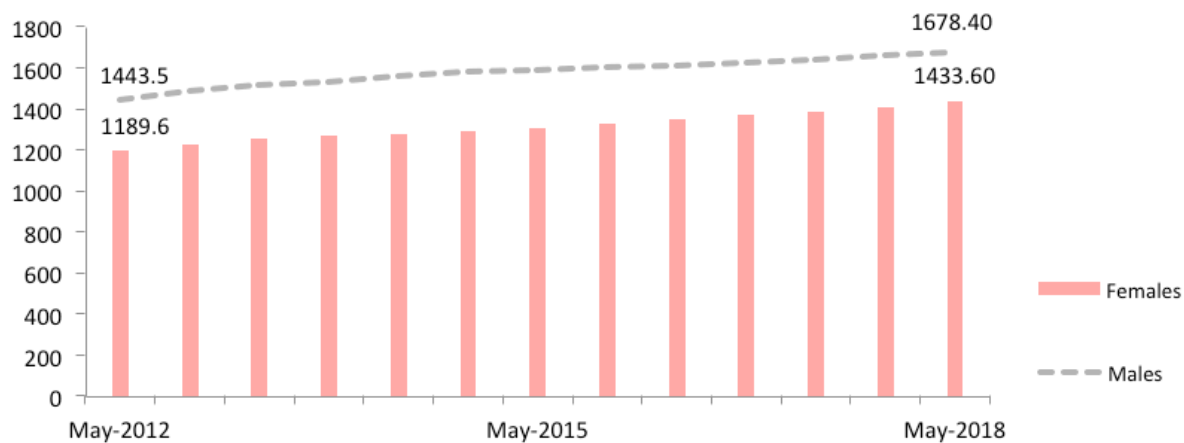
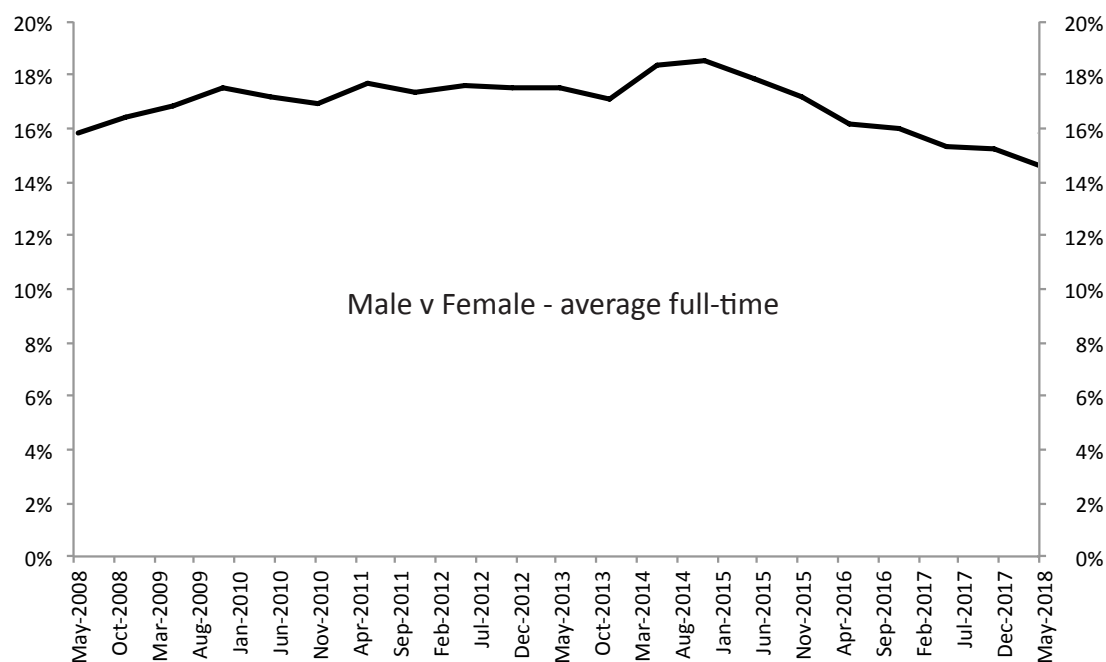


CHART 7: Wage gap disparity



Source: ABS, Financy, Data Digger, December 2018

Note: Data for the Index observes seasonally adjusted data. For the graph listed above trend data is used from the ABS (cat. 6302.0 – table 1).

The ABS reports on the wage disparity every six months with May data released in August and November data released in February. Original data is used to calculate industry average gender wage disparity from ABS (cat. 6302.0 – tables 10A and 10D).

GENDER PAY GAP

The Electricity, Gas, Water and Waste Services became the third highest paying sector of women with an unchanged average weekly full-time wage of \$1671 in May 2018.

The industry employs the least number of women at 26,400 but it has made inroads in recruitment with the number of female employees up 8% on 2017.

The sector's gender pay gap widened to 10.7% in May, up from 10.5% in November.

Retail Trade and Accommodation and Food Services are among the sectors with the lowest gender pay gaps. Both industries have managed to close their overall wage disparity by 1.8 percentage points to 6.3%, and a 2.5 percentage point drop to 9.1% respectively over 2018.

The female-dominated Education and Training sector is the fourth highest paying employer of women and also has one of the lowest gender pay gaps at 11.5%, down 0.2 percentage points from 2017.

The country's biggest employer of women, Health Care and Social Assistance, reported a 2.2 percentage point widening of the gender pay gap in 2018. The wage disparity stood at 25% in May, which was up from 22.8% in November 2017.

Women working full-time in this sector earned an average weekly wage of \$1391.9 in May, compared to \$1405.5 in November 2017.

The sector with the largest gender pay gap is Finance and Insurance Services at 26.6% in May, up from 26.1% in November 2017.

The sector hired 7% more women over the same period. The average full-time wage for women stood at \$1585.2 in May, which is \$576 less than that of the average man at \$2161.1.

The national gender pay gap is influenced by many interrelated work, family and societal factors, among which include gender stereotypes about work and the way women and men should engage in the workforce, according to the Workplace Gender Equality Agency (WGEA).

Suggested actions to improve the progress of gender pay gap:



Measures to increase the number of women in leadership roles across Australian sectors, not just boards, particularly where women dominate sectors such as in Health and Education would greatly assist average wages growth and pay disparity. Greater transparency and reporting around pay rates for like-for-like roles would also help close gender pay gaps.

WGEA says that employers can address pay equity in their organisations by reviewing their payroll data, doing a pay gap analysis, understanding the key issues, taking action to close the gap and reporting the results to the executive and board.

Other proactive actions employers can take include normalising flexible working arrangements in their workplace, introducing shared care parental leave policies and paying superannuation on parental leave. All of these actions will help to remove barriers to women's full participation in the workforce and contribute to reducing gender pay gaps and the overall gap in women's lifetime earnings.

GENDER PAY GAP

TABLE 2: Detailed Jobs breakdown by industry

Gender	Male			Female			Wage disparity
	Avg Wkly Earnings	Full-time (000s)	Part-time (000s)	Avg Wkly Earnings	Full-time (000s)	Part-time (000s)	
All Industries	\$1,678	5,453	1,248	\$1,434	3,162	2,755	14.6%
Mining	\$2,649	202	3	\$2,201	34	6	16.9%
Agriculture, Forestry and Fishing	n/a	186	39	n/a	51	45	n/a
Electricity, Gas, Water and Waste Services	\$1,870	105	6	\$1,671	23	11	10.7%
Information Media and Telecommunications	\$2,070	115	14	\$1,687	59	34	18.5%
Education and Training	\$1,879	209	83	\$1,663	411	330	11.5%
Public Administration and Safety	\$1,694	382	37	\$1,595	293	103	5.8%
Financial and Insurance Services	\$2,161	210	15	\$1,585	167	59	26.6%
Professional, Scientific and Technical Services	\$1,989	526	83	\$1,545	294	167	22.3%
Health Care and Social Assistance	\$1,855	256	103	\$1,392	668	650	25.0%
Transport, Postal and Warehousing	\$1,689	414	94	\$1,388	84	50	17.8%
Wholesale Trade	\$1,611	225	23	\$1,378	81	39	14.5%
Arts and Recreation Services	\$1,659	73	48	\$1,339	53	70	19.3%
Manufacturing	\$1,434	628	55	\$1,272	180	94	11.3%
Construction	\$1,560	916	121	\$1,325	76	64	15.1%
Administrative and Support Services	\$1,541	125	65	\$1,286	103	107	16.5%
Rental, Hiring and Real Estate Services	\$1,615	88	21	\$1,226	74	31	24.1%
Other Services	\$1,276	222	43	\$1,165	99	116	8.7%
Retail Trade	\$1,191	344	196	\$1,116	252	434	6.3%
Accommodation and Food Services	\$1,181	201	200	\$1,074	141	329	9.1%

Source: ABS, Financy, December 2018

Note: Average wages data for Agriculture, Forestry and Fishing is not available given the seasonal and casualised nature of work across this sector of the economy.

WOMEN ON BOARDS

Corporate Australia added more women to the boards of the country's largest listed companies by market value in 2018, although a slowdown in the pace of progress leaves a key target for 30% female representation uncertain.

The Index found that women occupied 28.4% of board positions in the ASX 200 at the start of November, which is down slightly from 28.5% in the September quarter.

The result is a 2.2 percentage point improvement on the 26.2% recorded in January but momentum remains slower than in the 12 months to 2016 – which stands out as the best year for progress in female board appointments with a 3.6 percentage point increase.

The number of women occupying board positions on ASX 20 boards increased to 35.5% at the start of December, up from 31.6% in the September quarter. This is also the best result since the December quarter of 2017 when the number of women on boards was 32.1%.

Woolworths is the largest listed company by market value to have achieved gender equality on its board, while Commonwealth Bank of Australia (CBA) and Suncorp Group are also standouts with women occupying four of nine board positions at both financial services companies.

In January, CBA will also achieve gender equality on its board with the appointment of Professor Genevieve Bell.

Goodman Group Stapled Securities is the country's largest listed company with less than 30% of its board members being female. The company has two women as directors and six men.

Tassal Group went from having no women on its board of 7 members, to having 2 with the appointments of Georgina Lynch and Jackie McArthur in November.

ARB Corporation Limited and TPG Telecom Limited remain ASX 200 companies with no women on their boards.

More broadly, most senior roles in the private sector continued to be dominated by men, although gains are being made.

Women represented 39.1% of overall managerial positions in 2017-2018 compared to 35% of across an estimated 4,000 employees in the 2013-2014 reporting year, according to WGEA.

A key target set by the Australian Institute of Company Directors (AICD) to achieve 30% female board representation for the ASX 200 by December 31 2018, is very close but remains uncertain.

Based on the current rate of progress in board appointments for the ASX 200, we would expect a further one percentage point gain by the end of December. This would put female board representation at 29.5%, just shy of the key target.

The AICD's target and quarterly reporting of board representation has been effective and influential in the three years since reporting began. In September 2015, the number of women on ASX 200 boards was 20.6% and in 2012 the number was 10.9%.

Indeed if this trend persisted in the absence of any forced measures such as quotas, and female board representation improved by approximately 3 percentage points a year, a 50/50 gender balance for the ASX 200 could be realized as early as 2026.

WOMEN ON BOARDS



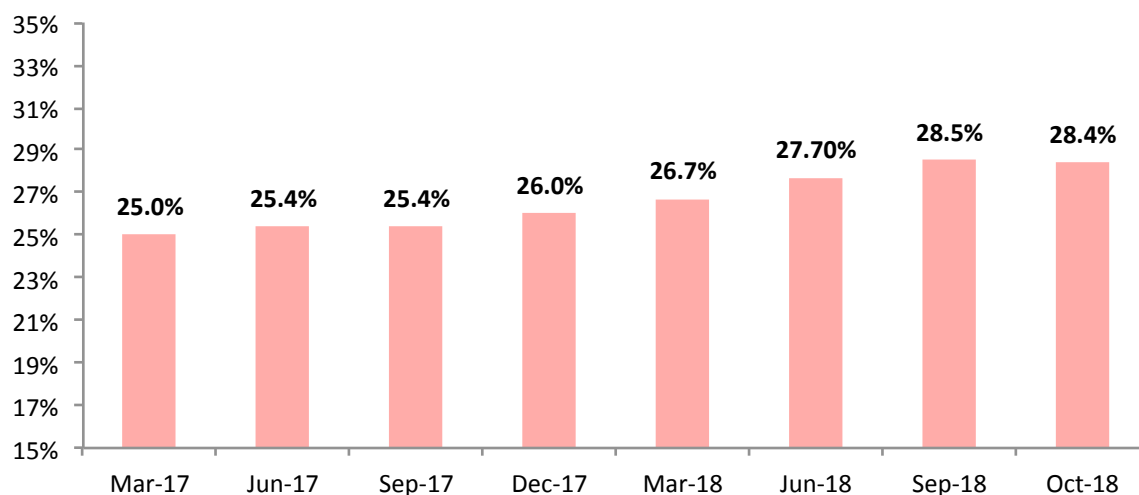
Suggested actions to improve progress of women on ASX 200 boards:

Continued support and focus on the AICD target, together with education around the benefits of gender diversity on boards and in leadership teams, including the improved outcomes for stakeholders and for shareholders, as well as the valued added to innovation, questioning and profitability.

Actions that also could be taken also include potential sponsorship for women directors, improved and transparent board recruitment processes, which could greatly assist in growing the number of women occupying board positions.

Connie McKeage CEO of OneVue said one action that employers can take to create genuine gender diversity and inclusion into work environments, particularly in senior leadership and board positions, is to ensure that every executive search firm they deal with puts forward an equal number of men and women (50/50) for any role needing to be filled. This process allows diversity to happen naturally because talent is found equally in men and women.

CHART 8: The percentage of women on ASX top 200 boards



Source: AICD, Financy and Data Digger, December 2018

SUPERANNUATION GAP

The value of Australia's superannuation savings may have increased in 2018 but the average balances of women still lag that of men.

While calculations of the gender gap in superannuation savings may differ, based on the underlying data used, statistics show women retire with 34% to 39% less than men.

The latest data from the Australian Bureau of Statistics (ABS), from the 2016 financial year shows that the average superannuation balance for those aged 15 and over was \$101,700 for women, compared to \$153,000 for men.

This means the average woman retires with 34% less than the average man due largely to time spent out of the full-time workforce caring for children, and the fact that women tend to earn less than men.

The ABS data includes self-managed super funds but not those with nil balances.

This gap of 34% is an improvement on previous years. In the financial year to 2014, the gender gap in super stood at 38%, while in the 2012 financial year it was 39%.

This is likely to have been influenced by improved long-term returns, higher wages and employment growth among women, but also we are seeing an increasing number of organisations starting to offer tailored superannuation benefits for women and those on paid and unpaid parental leave.

Such measures are likely to be effective in helping to retain women in the workforce and supporting their transition back to work after children.

The gender gap is however much worse the older a woman gets. Using the latest 2016 data, the average superannuation balance for people approaching retirement age, (55–64 years) was \$196,400 for women and \$310,100 for men.

This means that for the average woman nearing retirement today, she is likely to have 37% less in superannuation savings compared to the average man of her age.

The national pool of superannuation totalled \$2,759 trillion across 15.66 million persons, averaging out at \$176,180 in the September quarter, according to the Australian Prudential Regulation Authority (APRA). The total pool increased from \$2,719 trillion in the June quarter.

Around 25 per cent of men and 32 per cent of women aged 15 and over have no superannuation.

Indeed because so many women have no super at all, the Association of Superannuation Funds of Australia (ASFA) includes those with nil balances and calculates the gender gap to be 39%.

By using ABS data that for the same period, ASFA estimates that the average balance for women aged 15 and over is \$68,499 versus \$111,853 for men.

Data also provided to the Financy Women's Index by the country's biggest super fund AustralianSuper, found the gap in lifetime balances between men and women narrowed to 28% in June 2018, from 30% in June 2017.

AustralianSuper said that of its 2.2 million members, the average woman retiring today would have \$93,431 in superannuation retirement savings, compared to \$131,045 for the average man.

SUPERANNUATION GAP



Suggested actions to improve the gender gap in superannuation:

Measures to improve the wage disparity as discussed earlier, along with government requirements and incentives for businesses to pay superannuation on paid and unpaid parental leave, as well as introducing measures to encourage more women, and primary carers to more easily make catch up payments when they return to work after career breaks to care for children.

For women who want to take action now, there were some important measures introduced in 2018 or that have begun to take effect that have the potential to significantly boost superannuation savings.

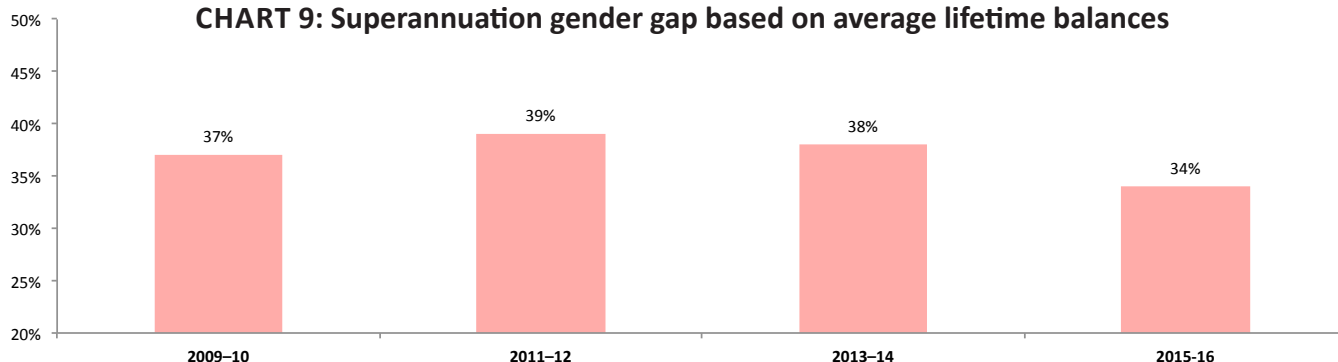
From July 2018, a new measure allows unused concessional super contributions to be accumulated over 5 years, provided the individual's total super balance is less than \$500,000. While the annual limit on concessional contributions is \$25,000, individuals can make use of up to 5 years of previously unused contributions.

Dianne Charman, Adviser at AMP Financial Planning says this measure could help women returning to the workforce after taking time off to have children, giving them the ability to “catch-up” on super by making higher concessional contributions without breaching the annual cap.

2018 was also the first calendar year that women could use the extended ‘spouse contribution tax offset’. The tax offset allows the higher earning partner in a relationship to make tax reduced super contributions on behalf of their lower earning partner, as long as the lower earner has an income below \$40,000. The full tax offset will now apply up to an income of \$37,000, an increase from the previous \$10,800.

Women in retirement who need to boost their super may also benefit from the ‘downsizing into superannuation’ rule change that took effect in July 2018. This makes it possible under certain conditions for over 65s to top up their super by up to \$300,000 by using the proceeds from the sale of their home.

CHART 9: Superannuation gender gap based on average lifetime balances



Source: ABS. Note: ABS data also includes life-time balances of self-managed super funds.

METHODOLOGY

The Financy Women's Index, supported by Data Digger, is designed to provide a reliable and up-to-date quarterly measure of the economic progress of Australian women.

The Index focuses on six key areas aimed at reflecting a woman's working life cycle. These include tertiary education, full-time work, workplace participation, wage disparity, gender diversity on the boards of Australia's largest listed companies and superannuation balances of women compared to men.

The Index result is revised to reflect any changes in official statistics and developmental amendments aimed at improving the depth of research into the economic progress of women.

Chart 1 and 2, plus Table 1 - The headline quarterly and annual Financy Women's Index is the average of six key indicators that have been converted to respective indexed series so as to track measurements of performance over a five year period. These indicators are not weighted. The Financy Women's Index (FWX) economic progress target is based on a zero average wage disparity and zero gap in superannuation savings, the male and female participation rates being equal, female full-time employment being 70% of current male full-time employment, 50% gender diversity on ASX 200 boards and steady tertiary education numbers given that women already outnumber men on enrolments. We caution that the FWX Progress Target is a tentative guide on what economic equality might look like in Index form and it will be revised in time as the Index undergoes revisions and weighting into the future.

Chart 3 and 4 - Tertiary studying trends are the product of analysis conducted by Data Digger and Financy using the Department of Education Ucube service. Enrolment growth and percentages are calculated citing annual year on year percentages. The annual data is updated once a year. ABS Gender Indicators Report November 2018 has been cited here.

Chart 5, 6 and 7 - Average weekly earnings charts are based on table 1 of the Australian Bureau of Statistics series 6302.0 citing table one and using trend data. Tables 10c and 10f of the same series have been used to extrapolate data for earnings by industry. The report comes out twice a year in February and August.

Table 2 - The detailed jobs by industry table is an aggregation of data used in the ABS detailed quarterly labour force report series, 6291.0.55.001, 6291.0.55.003, 6202.0 ABS Labor Force data and the aforementioned average weekly earnings data. Original data is used in respect to the industry breakdown and trend data is used for average wages as well as the wage disparity. Seasonally Adjusted data is used for the participation rate and for full-time and part-time workers.

Chart 8 - The percentage of women on ASX 200 boards is based on monthly data published by the Australian Institute of Company Directors (AICD), while analysis of ASX 20 is provided by Financy. Previously analysis was undertaken by Datadigger.com.au to aggregate data over female representation on Australia's top 20 ASX listed companies. This data has now been revised to match that contained in the AICD's reports dating back to 2012.

Chart 9 - Superannuation data with reference to the average lifetime super balance utilises an weighted index methodology in referencing an average superannuation balance for age groups that span 15-24 year to 70 years plus. The data source is the ABS category 4125 table 1, sub table 25. The data available comes out once every two years. Data from AustralianSuper and the Association of Superannuation Funds of Australia (ASFA) have been cited here.

FWX ADVISORY COMMITTEE

The Financy Women's Index is supported by an Advisory Committee, who will help grow the Women's Index as a credible and reliable data source on the economic progress of Australian women, while also ensuring the overall integrity of each report is maintained and strengthened over time.



Bruce Hockman is Chief Economist, Statistical Services Group, Australian Bureau of Statistics.

Bruce has an economics degree from Adelaide University and he also did post-graduate studies at Macquarie University. Prior to joining the ABS Bruce worked at the RBA, Deutsche Bank and as CEO of the Anglican Diocese of Newcastle. He joined the ABS in 2005 as Director of Quarterly Economy Wide Surveys and Prices in Sydney, the team provides around 60% of the data used for the quarterly national accounts. Bruce was appointed as Assistant Statistician of National Accounts Branch, in Canberra, in 2010. Bruce was promoted to First Assistant Statistician in February 2012 and was the Division Head of the Business, Industry and Environment Statistics Division. In July 2015 he transferred to Macroeconomic Statistics Division as the General Manager.



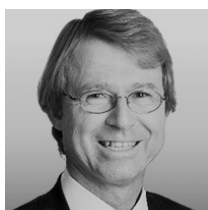
Nicki Hutley is a Partner at Deloitte Access Economics and a highly experienced economist.

Nicki has worked for both public and private sectors, and in financial markets, investment management, and economic consulting. In addition to macroeconomic modeling and forecasting, Nicki is particularly skilled in the application of economic modeling and analysis in addressing policy issues relating to urban renewal, social and economic infrastructure investment, affordable housing, climate mitigation and adaptation, and social impact investing. Nicki is a sought after keynote speaker and she appears regularly on Sky Business and ABC's The Drum, as well as other media.



Joanne Masters is a Senior Economist in ANZ Research's Australian Economics Team.

Joanne regularly provides thematic research, analysis and forecasts on the Australian economy, and her particular interests are retail, inflation and housing. Jo brings more than 15 years of investment banking research to her publications and presentations for stakeholders and clients. Prior to ANZ, Jo was at Macquarie Bank as a Senior Economist and a Currency Strategist. Jo is a regular speaker at events organised by Women in Banking and Finance and the Women in Economics Network, which is part of the Economic Society of Australia.



Dr Shane Oliver is Chief Economist and Head of Investment Strategy at AMP Capital.

Shane has extensive experience analysing economic and investment cycles and what current positioning means for the return potential for different asset classes such as shares, bonds, property and infrastructure. Shane is Co-Head of the Investment Strategy and Dynamic Markets team, responsible for the provision of economic and macro investment analysis and more importantly the management of the Dynamic Markets Fund and the determination of AMP Capital's asset allocation policy which is applied across more than \$65 billion invested in multi-asset funds. Shane is a regular media commentator on economic and investment market issues and engages regularly with investors at public events and forums.



Heidi Sundin is the Founder and Director of The Agenda Agency.

Heidi is a specialist in corporate transformation and diversity and inclusion strategy. In the area of diversity and inclusion Heidi's clients include corporates across industry sectors, various Australian Government Agencies, not-for-profits and a number of Australian universities. Heidi is also an affiliate of Mercer Australia's Diversity and Inclusion Practice. Heidi's most recent roles included Group Manager, Transformation, Strategy and Renewal at Coates Hire; Executive Manager Education and Innovation, Workplace Gender Equality Agency; Director of the Office of the CEO, KPMG and various client facing roles at KPMG. Heidi was a lecturer at the UTS Business School and has worked for the World Business Council for Sustainable Development.



Professor Roger Wilkins is the Deputy Director of the Melbourne Institute of Applied Economic & Social Research at the University of Melbourne.

Roger is also the Deputy Director (Research) of the HILDA Survey. His research interests include the nature, causes and consequences of labour market outcomes; the distribution and dynamics of individuals' economic wellbeing; and the incidence and determinants of poverty, social exclusion and welfare dependence. Roger produces the annual HILDA Survey Statistical Report. He has also produced the Australian income component of the World Inequality Database (WID) since 2014. Roger is a member of the ABS Labour Statistics Advisory Group, the Australian Housing and Urban Research Institute (AHURI) Research Panel, and the Department of Social Services 'Building a New Life in Australia' Survey Technical Reference Group, and is a Policy Adviser for the Australian Council of Social Service. He is also a Research Fellow at the IZA Institute of Labor Economics.

ABOUT THE WOMEN'S INDEX



Financy® is dedicated to improving the economic wellbeing of Australian women.

Financy's Women's Index is an independent report that was founded by Financy.com.au women's money publisher Bianca Hartge-Hazelman in 2017, and brought to life with special thanks to Data Digger's Dan Petrie.

The Women's Index measures and tracks the economic progress of Australian women on a quarterly basis.

The purpose of the Index is to help inspire women to live more courageously and confidently – to be Fearless.

The Index provides valuable insights and commentary on the trends, opportunities and actions that can enhance women's economic progress.

This free report is made possible with corporate sponsorship and goodwill partners. The report is sent to Financy Women's Index subscribers.

Bianca is a journalist and media commentator specialising in women's money matters. She holds a Communications Degree, Master's Degree in Journalism and Graduate Diploma in Applied Finance.



Data Digger® is a business that specialises in all things Australian economic data and chart building.

Data Digger was founded by former Bloomberg economic data editor, Dan Petrie and is aimed specifically at demystifying the statistics that surround our wider economy. Data Digger offers bespoke reporting and specialises in finding trends in large data set.



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The Financy and DataDigger Women's Index presents the findings of analysis of annual reports issued by companies listed on the Australian Stock Exchange (ASX) together with the professional analysis and insights of Financy and DataDigger.

These analysis and insights do not necessarily coincide with those of Financy and DataDigger.

The information presented in this report has been carefully reviewed by members of the Economic Advisory Committee but any issues with the data remains the responsibility of Financy.

Any comments on the Women's Index by members of the Committee are their own and are not a reflection of the companies that they work for.

For information on the data contained in the report contact Financy.

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