

Financy Women's Index

2019: The Year in Review
**Fearlessly Supporting
the Economic Progress of Women**

DECEMBER QUARTER 2019



Our dedicated & fearless sponsors

Financy Women's Index[®]

2019 YEAR IN REVIEW

OCTOBER – DECEMBER 2019

A Financy initiative, fearlessly supported by OneVue, AMP Australia & AFA

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Fearless

Inspiring women through insights
to live more courageously & confidently
– to be **FEARLESS**

The Financy Women's Index is a scorecard showing the financial progress of Australian women.

The Index is made possible with the sponsorship support of OneVue holdings, AMP Services and the Association of Financial Advisors.

This Report brings together a collection of insights on gender equality, workplace trends, pay gaps and leadership and also explores gender differences in superannuation and education.

In doing so, we aim to provide a timely and comprehensive picture of women's financial progress and economic equality in Australia.

This Report provides analysis and commentary on the gains and challenges facing women in pursuit of economic equality with men. Suggested actions are also provided to address areas of disadvantage and in support of financial progress.

The Women's Index is written for Australian women, business and government.

It is made possible with the help of the Women's Index Committee members Dr Shane Oliver, Nicki Hutley, Roger Wilkins, Joanne Masters, Heidi Sundin and Bruce Hockman.

The Index is also reviewed by the Gender Statistics Team at the Australian Bureau of Statistics.

The Report is written by Bianca Hartge-Hazelman and includes analysis of government and industry statistics, as well as national survey data on unpaid work, tertiary education, employment, workplace participation, wages, superannuation, data on the board representation of Australia's largest companies.

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

EDITOR'S NOTE – SHE'LL BE RIGHT, NO SHE WON'T.

As the New Year kicks into gear it's important to look at where we stand with the economic progress of Australian women in the context of where we've been.

Australian women broke a number of key records in 2019, including record female workforce participation, record lows in the gender pay and superannuation gaps, a record low in the unpaid work gender gap and a key target finally being surpassed for female board representation on the ASX 200.

Outside of statistics, we also saw major headlines of female role models achieving Australian firsts particularly with pay.

These included Macquarie Group boss Shemara Wikramanayake becoming the first female to top the highest paid CEO list, while in sport Australian tennis sensation Ash Barty took home the biggest winner's cheque for a tournament in tennis history, and the Matildas soccer team received guaranteed pay equality with the Socceroos.

Honestly what more could we want in pursuit of economic equality for Australian women than a number of wins like these on the board?

The answer to that for me is all about the actual pace of progress and sustaining it.

For Australia to continue to improve the financial wellbeing of women, who are more likely than men to be economically disadvantaged particularly later in life, the momentum of progress must be sustained - even accelerated, in some areas - well beyond the quarterly pace achieved over 2019.

Indeed for all the gains we made last year, the pace of improvement still went backwards on a number of fronts.

- The pace of ASX 200 female director appointments slowed to a decade low despite the achievement of a key 30% gender diversity target.
- The annual pace of closing the gender pay gap was the slowest since 2015.
- The female underemployment rate was better in 2009 than it is today.
- Highest paying sectors of the economy Mining and Information Technology (IT) employed more men than women as a percentage in 2019.

What's clear is that there are still significant obstacles that are holding back the economic progress of women.

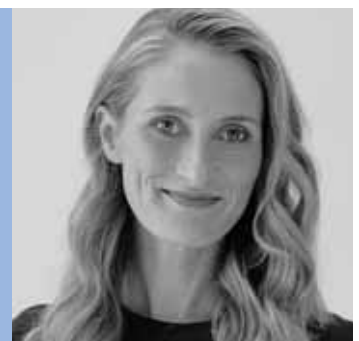
The worry for me now in 2020 is that as we achieve some wins and as media coverage of success stories and the gender pay gap increases, we must ensure that complacency doesn't give rise to a "She'll be right" way of thinking.

So to build on the current record momentum of the 2019 financial progress score as measured by the Financy Women's Index, there are six things I'd like to see happen in 2020.

- The pace of ASX 200 female board appointments to grow by a minimum of 2 percentage points.
- The gender pay gap to reduce by at least 1 percentage point.
- Female underemployment to fall by 0.7 percentage points.
- The gender gap in unpaid work among couples, regardless of children, to fall below 60%.
- Sustained tertiary enrolment growth in studies linked to higher pay outcomes for women.
- Increased employment of women in higher paying sectors of the economy such as Mining and IT.

Achieving these milestones is not a matter of "fixing women" to ensure they get back to work after kids and pursue studies or careers purely on the basis of financial gain, it's a matter of broader support and initiatives from government and business that champions the progress of women to date, and which strive to do better than ever for future generations.

Bianca Hartge-Hazelman
Founder of the Financy
Women's Index



LEADERSHIP THOUGHTS: ADAPTING TO WIN/WIN

Since I moved to this country, Australia Day has signalled the end of the holidays. Coming to terms with the inevitability of returning to work after experiencing a wondrous sense of freedom is no doubt challenging for most of us.

One of the things I most enjoy during these breaks is having the time to read whatever I want and to watch as much TV as I can physically handle on any given day.

This year I binged on Morning Wars with Jennifer Anniston so when I received this quarter's Financy Women's Index my mind was already occupied with gender matters.

The most recent Financy numbers show significant progress.

Record workforce participation for women, a record low in the gender pay and superannuation gaps and a record high in the level of female representation on the ASX 200 boards.

What helped progress were fresh records being broken in female tertiary education enrolments, full-time employment numbers, the participation rate and the gender pay gap.

Importantly as someone who absolutely abhors quarter by quarter public company performance or investment management performance not even the fact that the latest Index shows the pace of quarterly progress to be amongst the slowest in many years could diminish my optimism.

The reality is the longer term trend is very positive.

Even over the last 12 months, female enrolment growth in tertiary education areas historically dominated by men has accelerated. I think we are turning the corner.

Nothing makes more of a difference to outcomes than strength in numbers and day by day, month by month, year by year we have increased the proportion of women being represented on boards, in the workforce and in colleges and universities.

So if we want language to change, we want executive search firms to present as many women candidates as men for given roles, we want to ensure that men and women entering the workforce are paid equally for the same roles, then we must speak up.

Not as a single voice in the boardroom or a lone opinion on a management team but as a unified and determined presence.

More and more men and women are committed to doing what is fair and what is right.

So with all this good news what's the risk?

A change as fundamental as we are experiencing is no doubt having a profound impact on both men and women and the world around us.

Even positive change comes at a price and for men this change is increasingly obvious.

Men are now participating less in the workforce and we are also seeing an increase in the levels of male underemployment and underutilisation.

Over the 12 months to December 31, the underemployment rate for women aged 15-64 years has improved to 10.4% from 10.6% while for men it worsened albeit ever so slightly.

The importance of shifting the gender landscape cannot be disputed, the need for a more diverse and fair working environment should not be contested however let's not lose sight of the fact that both men and women may need support as we move into these uncharted waters.

As I learned on those evenings watching Morning Wars, some people are slower to adapt to change than others.

Leaving them behind will diminish the positive impact we can all make towards a fairer society.

Let's make sure we are giving sufficient thought to what those men and women need to come on the journey with us.

As in the words of popular author Max McKeown, adaptability is about the powerful difference between adapting to just cope and adapting to win.

The best outcome for us all is a win/win.

Connie Mckeage
CEO
OneVue



LEADERSHIP THOUGHTS: LET'S BE WHAT WE CAN SEE

At the end of last year, I was excited to learn Finland elected 34-year old Sanna Marin as Prime Minister.

As leader of the Social Democrats, she is now the world's youngest head of a government.

What an incredible achievement for such a young woman and an inspiration for the rest of us.

Then there's New Zealand's Jacinda Ardern, globally respected for her ability to role-model strong, present, authentic leadership, while balancing marriage and motherhood.

They are not alone in the long list of women currently reaching for the stars.

Recently, NASA astronauts made history completing the first female spacewalk at the International Space Station, 17 year old Greta Thunberg has made global headlines for her tireless campaigning on climate change and our own Young Australian of the Year 2020, Ash Barty, became the highest paid woman in tennis in 2019, with on-court earnings of over \$10 million.

And while I am always the first to say there is more work to be done to help the economic progress of women more broadly, inspiring stories about females doing great things help pave the way for a new generation of women, who will strive to "be what they can see".

For those of us in the financial services industry, one of the biggest challenges we have is closing the retirement income gap.

This is not a new problem, but a serious one.

We know that women who are more engaged with their finances, including their superannuation, will have a better retirement outcome. And currently the gap for women at retirement, compared with men, is still too wide.

Yet super remains a difficult topic to engage people on.

This is because the system is based on delayed gratification; people don't reap the rewards quickly, and, for a whole range of reasons, we can't always control its growth the way we want to.

While the inspirational women I mentioned above show us what we can achieve in the here and now, when it comes to saving for retirement, Australians struggle to engage with what they can't see.

As I said, this is not a new problem.

Behavioral experts have long talked about the challenges associated with getting people excited about saving for retirement.

Simply put, saving into super simply doesn't spark the same emotive response as buying your first car or home.

Our compulsory superannuation system goes part of the way with 9.5 per cent of our pay being put away in superannuation; but it still doesn't solve the gender super gap, which exists due to time out of the workforce, particularly for primary parental or caring responsibilities, and lower pay for women across the board.

To address the shortfall, we encourage men and women to engage with their super as soon as they start working.

We know that super is often the last thing on a young adult's mind, but what I say to my kids (and anyone who will listen!), is that the power of compounding interest is very real and produces very real outcomes.

In the finance industry we need to continue working on strategies to help Australians better connect with their futures.

It's up to us to show women in particular how saving for retirement early can help them live a much more comfortable life further down the track.

We need to create retirement role models, so that people can become what they can see.

Lara Bourguignon
AMP Managing Director
Superannuation



KEY RESULTS

Progress rebounds to finish the decade on a high note

Dec report 2019 – Released 6am January 31, 2020

Key findings

- The 2019 December quarter delivered a strong finish to the decade, helped by a number of fresh records set in key measurements of women's financial progress.
- But the pace of progress in 2019 disappointed and was down on many previous years.
- Year-on-year the Index rose 1.7% to finish at 119.9 points, compared to a revised 117.8 points in 2018.
- In the December quarter, the Index rose 0.9% from a revised 118.8 points in the September quarter.
- 2019 progress was helped by records being broken in full-time employment, the participation rate, tertiary education enrolments and in the gender gaps in pay and super.

Many Australian women are likely to be feeling more satisfied with their finances and the opportunities available to them after the women's economic progress measurement, the Financy Women's Index posted its best quarterly performance for 2019.

The Financy Women's Index rose 0.9% to a high of 119.9 points in the December quarter, up from 118.8 points in the September quarter.

The result follows a disappointing start to 2019 with the September Index suggesting that the year would go down as being the worst in a decade for women's financial progress.

But momentum changed during the December quarter with fresh records broken in number of women on ASX 200 boards, female tertiary education enrolments, full-time and part-time employment numbers, as well as the participation and underemployment rates.

The Index improved 1.7% (or 2 points) in the 12 months to December 31, which makes 2019 the 5th slowest year for progress since 2012.

The top three best years of the decade for financial progress were 2018 (up 4.7 points), followed by 2016 (up 4 points) and 2015 (up 3.2 points).

The financial progress of women as measured by the Financy Women's Index, is calculated by looking at the variable performance of women relative to men across eight areas; tertiary education, employment, workforce participation, underemployment, wages, unpaid work, ASX 200 board numbers and superannuation.

Among the specific standout signs of progress for women in 2019 was data showing the greatest level of engagement among Australian women in the full-time workforce.

Over the past 12 months we have seen the female participation rate increase to 61.2% from 60.52% in December 2018.

KEY RESULTS

The number of women in full-time employment rose by 4% to a seasonally adjusted 3.34 million in the December quarter from 3.22 million at the end of 2018.

The female underemployment rate declined year-on-year to 10.4% but it is still higher than where it was a decade ago.

A major victory was won for women on the boards of listed companies during December quarter with female directors now occupying 30.7% of ASX 200 board positions, which is an absolute first and has been helped by persistent campaigning by the Australian Institute of Company Directors and other organisations some of which include Women On Boards and Male Champions of Change.

Women continue to outnumber men in tertiary education studies however the gender balance in fields linked to higher pay outcomes remains disproportionate to men.

Despite record tertiary enrolment growth for females over 2019, areas like Engineering and Related Technologies, Architecture and Building and Information Technology (IT), women are underrepresented and in some cases by as much as two to seven.

The gender gap in unpaid work for couples, regardless of whether they have children fell to a new low of 60% in the latest 2018 data.

The unpaid work data from the 2018 Household, Income and Labour Dynamics in Australia (HILDA) Survey and found that while the gender gap in unpaid work for couples narrowed, the imbalance remains significant.

Indeed, this gap, regardless of whether couples have children, still stands at 60%, according to the latest (2018) data. While representing a new low for this target, it remains unacceptably high and a significant barrier to greater equity across a range of domains.

In paid employment, the average wage disparity between full-time working women and men narrowed to 14.02% in 2019 from 14.53% in 2018.

The three industries with the biggest reductions in their gender pay gaps in 2019 include Other Services, Rental, Hiring and Real Estate Services and Mining – which is the highest paying sector for both genders.

The average Australian woman is likely to retire with 28% less in superannuation savings than the average man - which is the narrowest it has ever been, according to the Australian Bureau of Statistics (ABS) superannuation balance data for the 2017-18 financial year.

For women aged 15 and over, the average superannuation balance is \$121,300 compared to \$168,500 for men, as of the 2017-18 financial year.

“Australian women broke many records in 2019 to finish the year on a progress high.”



KEY RESULTS

CHART 1: The Financy Women's Index by Quarter

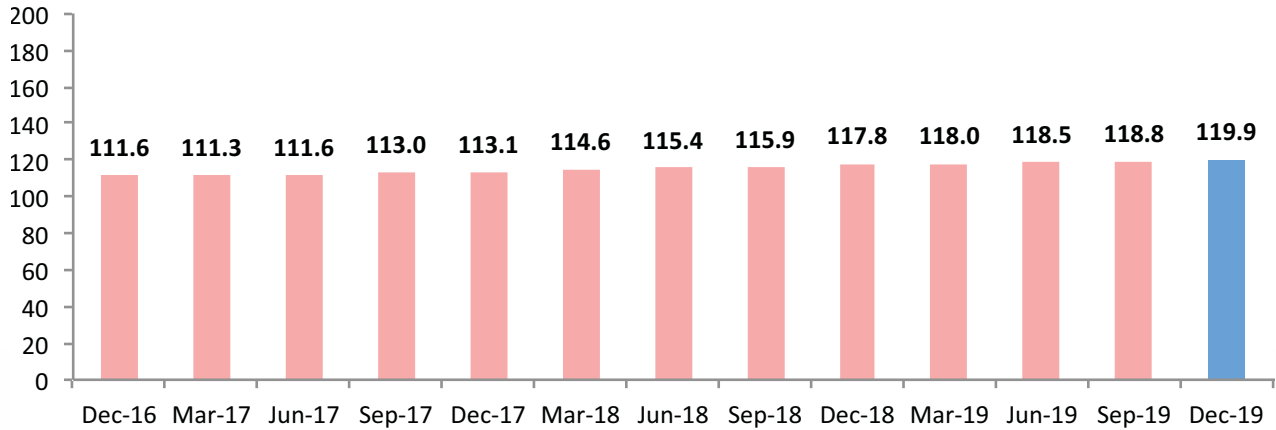
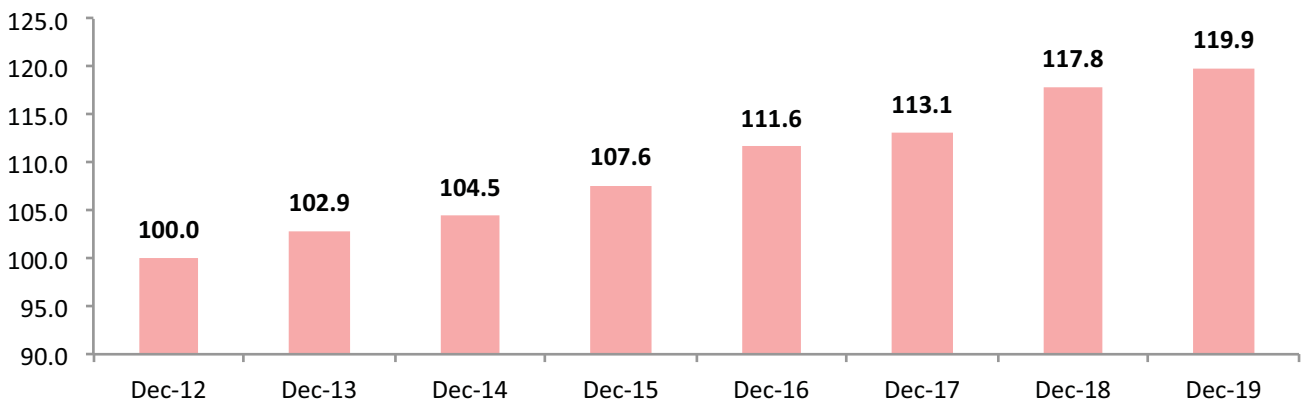


CHART 2: The Financy Women's Index by Year



Source: Financy, December 2019.

The Financy Women's Index tracks progress of economic indicators affecting women on a quarterly basis from March 2017. We have backdated data to 2012 to show a longer-term trend in our measurement. Previously, yearly targets have been used. Revisions to the Women's Index are made in each quarter based on official data revisions. Data enhancements may also lead to revisions of the Women's Index. The most recent change includes the carry forward of unavailable data each quarter, which was done to ensure that all data is considered in the calculation of each Index. The Index uses seasonally adjusted data where available.

“2019 was a year of progress, despite being one of the slowest in a decade in terms of pace.”



TERTIARY EDUCATION

Over the past 12 months, female enrolment growth in more technical tertiary education studies has accelerated by as much as double the pace of male enrolments.

Tertiary education captures university and vocational courses, which are generally pursued after completion of high school.

The top three areas for female enrolment growth over 2019 were all male-dominated and include Engineering and Related Technologies with 6% female enrolment growth compared to 3% for males, Architecture and Building with 12% female enrolment growth versus 9% for males and Information Technology (IT) with a huge 26% jump in female students versus 22% for males.

The gain in female IT enrolments reflects the most significant growth of any field of study by either gender, according to the 2018 tertiary education data released by the Department of Education in November 2019.

It's part of a longer-term trend that's seen the number of female IT enrolments increase by 132% to 22,519 in 2018 from 9,723 in 2012.

By contrast, the number of male IT enrolments rose by 92% to 77,500 over the six years to 2018.

This means men still outnumber women by around seven to two in terms of actual student numbers.

The level of growth female IT enrolments is encouraging because the field is a pathway to the second highest paying employment sector for women and the skills obtained are increasingly in demand as business and industries continue to evolve.

Increased competition has put pressure on businesses to ensure employees have relevant skills for online platforms and social media across a range of professions, particularly in marketing and media, which are areas largely dominated by women.

Over the past six years, female enrolments in Engineering and Related Technologies rose 49% to 22,041 versus 97,892 for males and in Architecture and Building female enrolments climbed 46% to 17,472 versus 22,032 males.

TABLE 1: Tertiary fields of study by gender, number and ratio

CATEGORY	2012	2012	2018	2018	2018
	MALE	FEMALE	MALE	FEMALE	RATIO F TO M
Natural and Physical Sciences	49,358	51,410	63,707	65,904	1:1
Information Technology	40,433	9,723	77,500	22,519	2:7
Engineering and Related Technologies	77,418	14,811	97,892	22,041	2:9
Architecture and Building	17,591	11,972	22,032	17,472	4:5
Agriculture Environmental and Related Studies	9,323	10,258	8,461	9,762	8:7
Health	51,818	132,935	67,684	188,407	25:9
Education	29,490	90,344	32,404	93,988	3:1
Management and Commerce	168,092	166,634	202,335	194,126	1:1
Society and Culture	100,415	178,436	113,344	212,277	15:8
Creative Arts	33,770	53,154	36,348	59,817	5:3
Food Hospitality and Personal Services	151	152	1,306	1,123	6:7
Mixed Field Programs	3,328	5,649	4,347	7,991	11:6
Non-Award course	7,729	10,433	7,365	11,993	13:8

Source: Dept of Education, Financy 2018 data reported 2019.

Note: Food Hospitality and Personal Services has been reclassified by the Dept of Education the figures are not as reliable have been left out of commentary.

TERTIARY EDUCATION

This is also encouraging for women given the statistical likelihood of higher pay outcomes for women particularly in Engineering.

In terms of the total number of tertiary education enrolments, across all fields of studies, we continue to see female students outnumber males 55% versus 45%.

The total number of females enrolled in tertiary education rose by 3% to 866,410 in 2018 compared to 839,278 in 2017.

Male enrolments also rose by 3% to 695,111 from 673,401 over the same period.

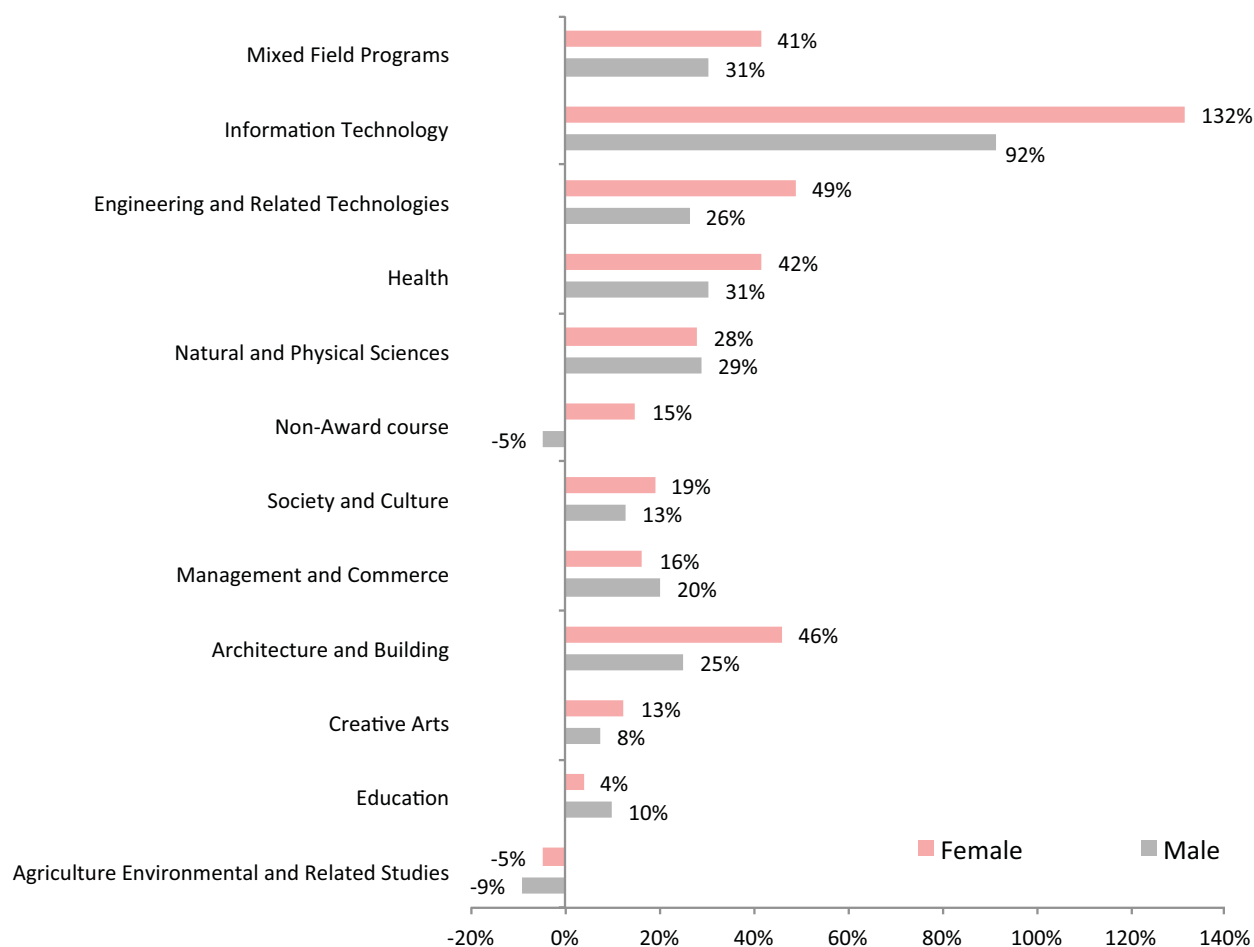
While the female dominated field of Education recorded a 2% drop for both male and female enrolments in 2018, the longer-term trend shows that men are leading the charge in terms of enrolment growth, albeit from a low base.

Since 2012, male enrolments in Education are up 10% to 32,404 versus 4% for women to 93,988 students.

This finding suggests that while women outnumber men three to one, interest levels and recruitment efforts to address the shortage of men as teachers is having an impact.

CHART 3: Growth by gender in student enrolments since 2012

Highest female enrolment growth is happening in male dominated course areas



Source: Dept of Education uCube, Financy 2018 data reported 2019.

TERTIARY EDUCATION

The three most popular fields of tertiary education for women in 2018, by student number, include Society and Culture, Management and Commerce and Health.

Over the past year female enrolments in Society and Culture rose by 2% to 212,277 versus 1% growth in male students, Management and Commerce rose by 2% to 194,126 versus 1% for men, and Health gained 4% female enrolments to 188,407 versus a 2% increase for men.

Over the past six years, the average annual growth rate for female enrolments in Health was 42%, in Society and Culture it was 19% and in Management and Commerce is stood at 16%.

Most Society and Culture graduates work as Solicitors, Social Workers, Professionals, Law Clerks and Policy Analysts.

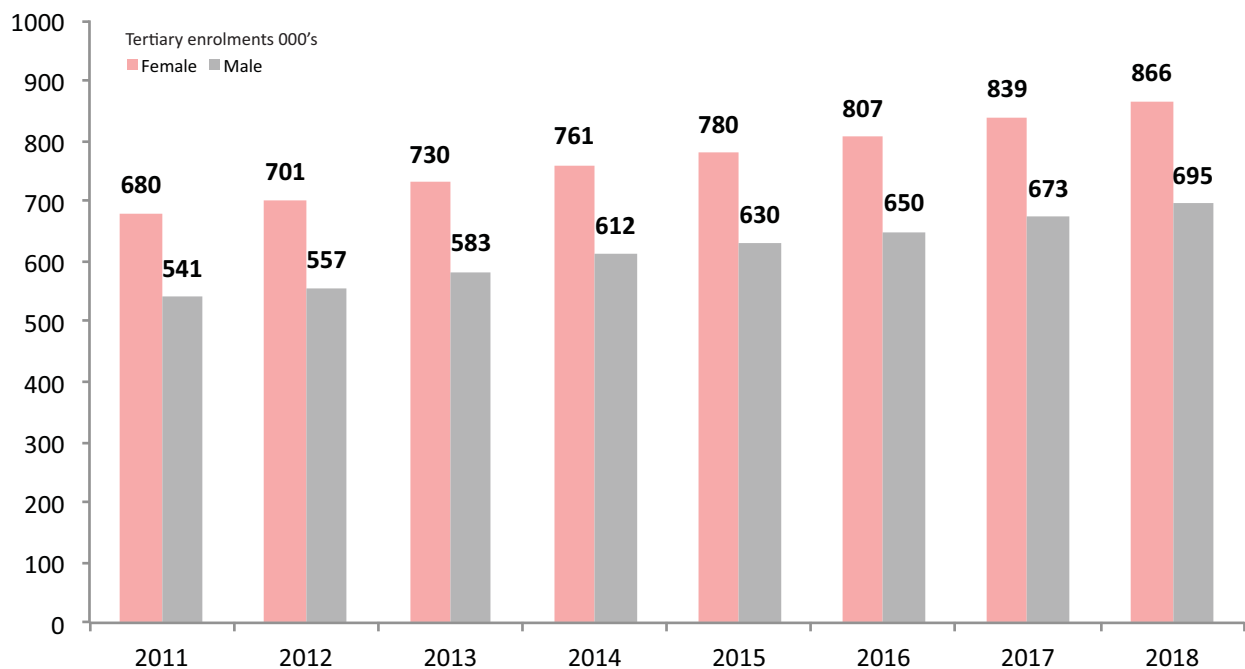
Based on the Graduate Outcomes Survey, most female Management and Commerce graduates work as Accountants, Marketing Specialists, Management Consultants and Human Resource Advisers.

The top five occupations for women studying health by order of most popular include Registered Nurses, Physiotherapists, Occupational Therapists and Resident Medical Officers.

According to the latest ABS Gender Indicators Report, women are more likely than men to have attained a Bachelor degree or above qualification and this is unlikely to change in the near future based on the number of female enrolments.

Despite this, and the perception that having a degree is more highly valued in the Australian workforce, female tertiary graduates are still likely to earn less than males on completion of their studies, even when they secured roles in female dominated sectors.

CHART 4: Tertiary enrolments by gender total number



Source: Dept of Education uCube, Financy 2018 data reported 2019.

TERTIARY EDUCATION

The graduate gender pay gap

A gender pay gap is apparent the moment a woman enters the workforce after graduating and this widens the longer she stays in employment.

In 2019, the Graduate Outcomes Survey - Longitudinal found a gender pay gap exists for domestic Higher Education undergraduate students and it appears to widen three years after graduation.

The survey interviewed a group of undergraduates in 2016 and found the gender pay gap at \$2,500 or 4.2 per cent with men earning \$60,000 and women earning \$57,500.

In 2019, the same group were interviewed and the gender pay gap had widened to \$4,900 or 6.5% with men earning \$75,900 and women earning \$71,000.

We have previously quoted the Graduate Outcomes Survey - Longitudinal as explaining the gender gap as being the result of the likely difference in pay outcomes between the various fields of study and sectors of employment.

For instance, men are more likely to graduate from more highly remunerated fields such as Engineering as highlighted above.

But further analysis of this data would suggest this isn't the only reason and that female graduates tend to earn less and we can see this by comparing genders within the same field of study.

For example, in Architecture and Built Environment studies, men were found to earn \$12,900 or 17% more than women in 2019 - three years after they graduated.

In 2019, men undertaking Agriculture and Environmental Studies earned \$7,000 or 10% more than women three years after graduation and even in Nursing men collected \$7,500 or 9% more than women.

In the most popular field of study for both genders, which is Business and Management, in 2019 men earned \$6,400 or 8% more than women three years after graduating.

A reverse gender pay gap exists in four areas of Higher Education study including Computing and Information Systems with women earning \$2,100 or 3% more than men, in Social Work women earned \$1,600 or 2% more than men, in Psychology the gap is \$1,300 or 2% and in Engineering women earn \$1,000 or 1% more than men.

The Graduate Outcomes Survey – Longitudinal covers data from Higher Education programs only, which are those that lead to an academic degree and therefore it falls under the umbrella of Tertiary Education.

However Tertiary Education, as referred to in the before mentioned Department of Education data, also includes Higher Education plus non-degree Vocational Education and Training courses.

“Despite record tertiary enrolments, women are underrepresented in fields linked to higher pay outcomes.”

TERTIARY EDUCATION



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

For much of the past two decades, educational progress and attainment of degrees for women has not delivered nearly the same degree of labour market progress.

Government, education bodies and business need to continue developing supportive measures that ensure the pool of women obtaining higher educational qualifications are moving through to the labour market and are also encouraged to climb the corporate ladder if they wish and later, return to work after career breaks to have children.

Employer programs that encourage women to stay in touch and keep their skills up-to-date while they're on parental leave are advantageous to those taking career breaks to care for loved ones.

Challenging gender stereotypes is also necessary if we want to improve earnings outcomes for women.

Here are some suggested actions around programs to help inform and engage women, particularly those starting out in their careers.

Programs that talk career salaries compared across industries

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

At the same time, mentoring and showcasing programs that assist with career planning and provide an understanding of career break impacts would be particularly beneficial to women studying in traditional fields to assist them in seeing what educational steps may be needed to improve wage outcomes.

Programs that talk trends and future proofing your career and pay

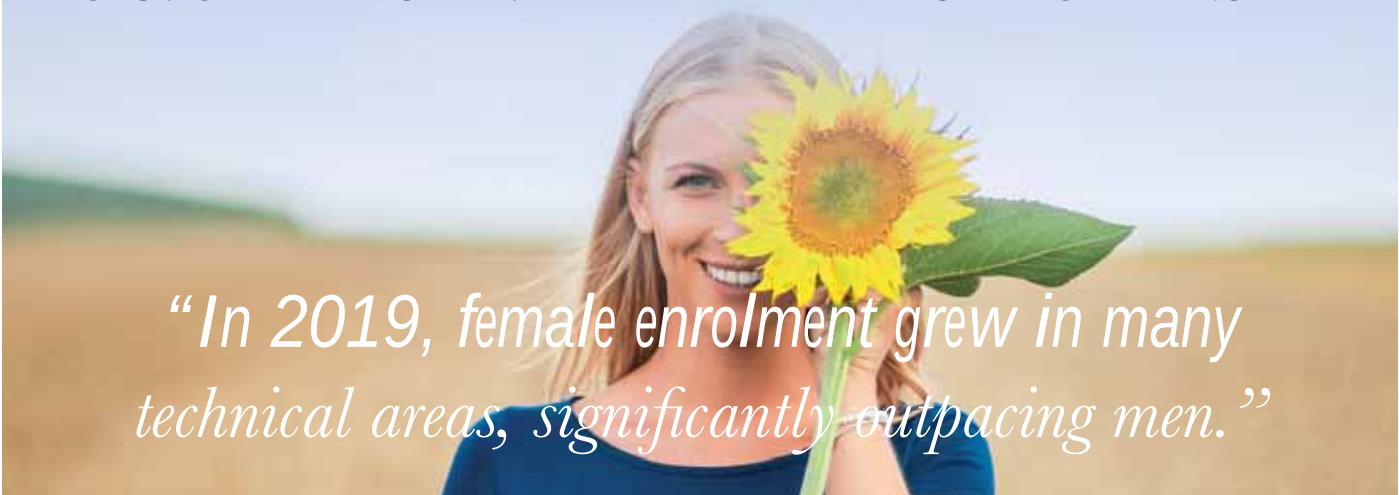
There's a need for greater awareness of trending career opportunities particularly those that offer foundational and transferable skills such as IT and Engineering.

Highlighting the range of occupations that any given training can lead to is important.

For example you can study Engineering but don't have to become an Engineer.

Incentives to boost engagement with non-traditional career areas

Incentives, such as job flexibility, are also needed to attract more women into less traditional career pathways that may be linked to higher paying industries. This is particularly relevant to industries, which want to improve their gender diversity profile.



"In 2019, female enrolment grew in many technical areas, significantly outpacing men."

WOMEN IN THE WORKFORCE

2019 has seen the greatest level of engagement among Australian women in the full-time workforce on record.

Over the past 12 months we have seen the female participation rate increase to 61.2% in December 2019 from 60.52% in December 2018, although the rate hardly moved in the latest quarter when compared to 61.19% in the September quarter.

During the December quarter, the number of women in full-time employment rose by 4% to a seasonally adjusted 3.34 million from 3.31 million in the September quarter.

The number of men in full-time employment rose by 1% over the past 12 months to a seasonally adjusted 5.5 million in December 2019 from 5.46 million in December 2018.

The overall trend towards greater female full-time workforce participation is likely to reflect changing workforce and family dynamics; such as an increased tendency for women to work into Motherhood, utilize childcare arrangements as well as a move towards more flexible work arrangements.

While male full time employment growth wasn't as strong as it was for females in 2019, it was a different story in part-time employment.

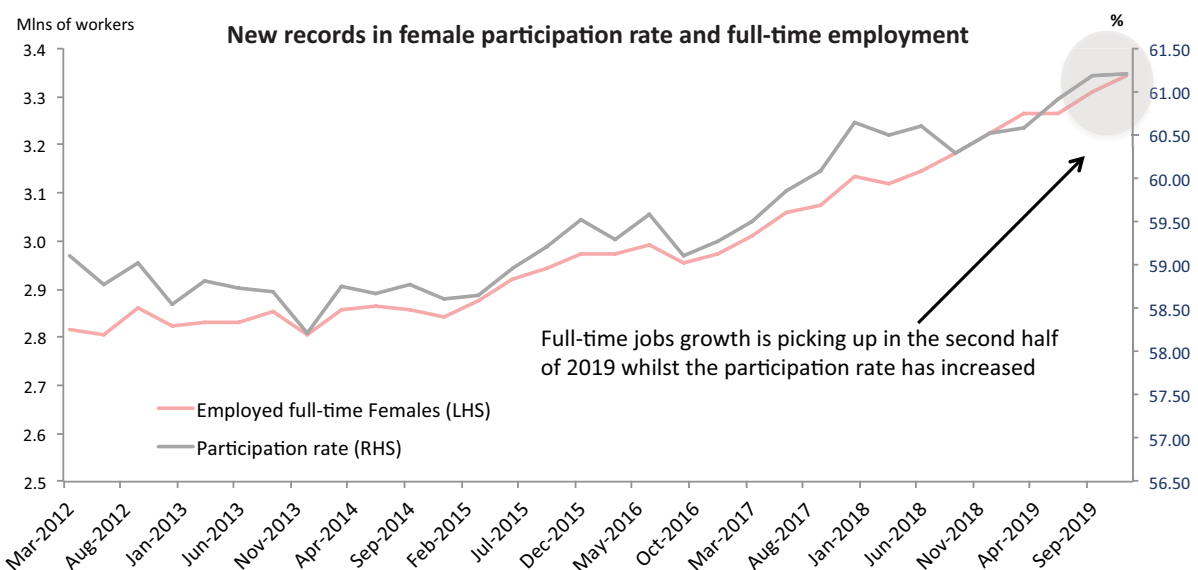
The number of men in part-time employment rose by 4% or 52,000 to a seasonally adjusted 1.35 million in December 2019 from 1.3 million 12 months earlier.

Female part-time employment has grown by 2% or 54,000 over the past 12 months despite a slight pull back in the December quarter.

The number of women in part-time employment fell by 4,000 between the September and December quarters, to a seasonally adjusted 2.8 million, but that was still 57,000 higher than in December 2018.

While gains in both full and part-time employment for women helped nudge the participation rate to a new high in 2019, by attracting more women into the labour force, the male participation rate dipped to 70.9% in December from a revised 71.1% in September.

CHART 5: Female workforce participation hits new record in 2019



Source: ABS, Financy, Data Digger, Dec 2019.

WOMEN IN THE WORKFORCE

Over the past decade, the female participation rate has increased by 4 percentage points, reflecting increased engagement among women in the workforce.

By contrast, the male participation rate has fallen by 2 percentage points since December 2009, which may be the result of changing work patterns, more men taking on primary caring responsibilities and possibly older generations retiring from the workforce.

The data also shows that as more women found employment in 2019, the level of female underemployment and underutilization declined while for men, they increased.

Over the 12 months to December 31, 2019, the underemployment rate for women aged 15-64 years improved to 10.4% from 10.6%, but it is actually worse than it was a decade earlier at 9.7% in December 2009, reflecting a number of economic trends including international labour competition and the growth of the so-called “gig economy”.

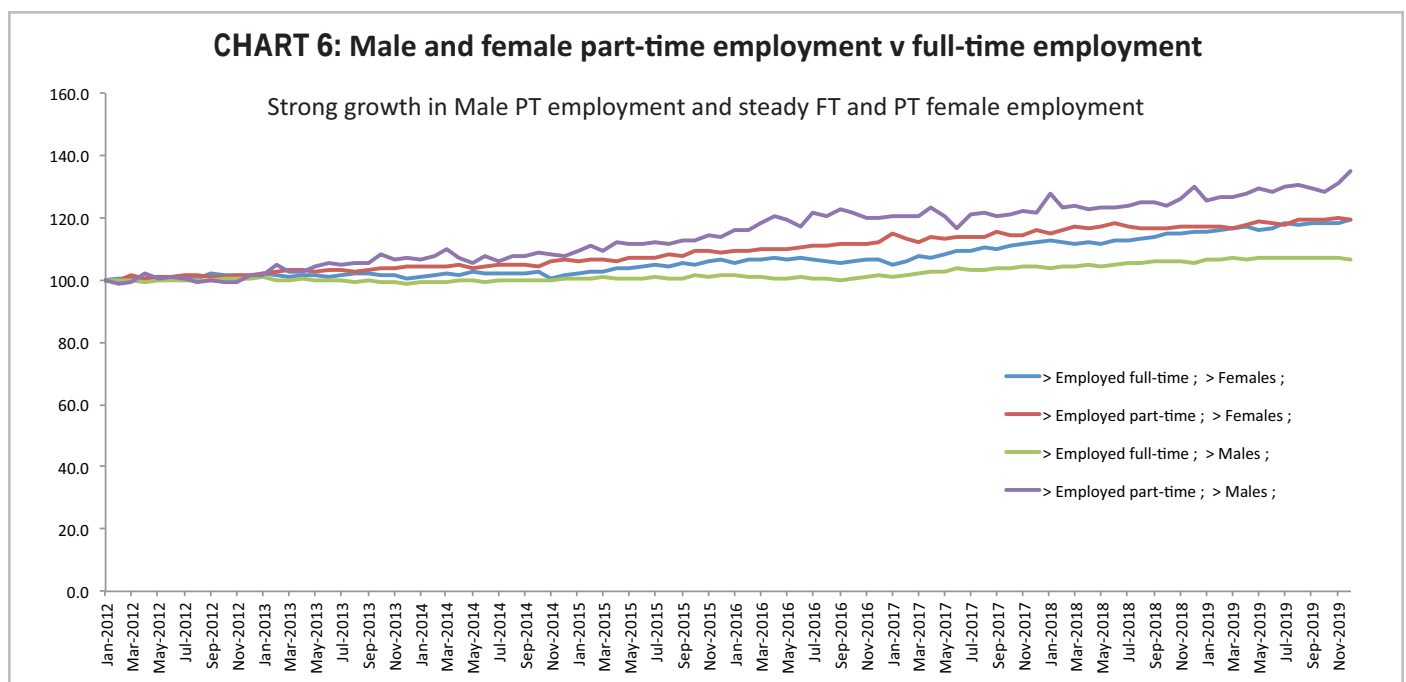
The male underemployment rate rose ever so slightly to 6.7% in December 2019 from 6.6% in December 2018 and has also increased from 5.7% at the end of 2009.

The underutilisation rate for women aged 15-64 years fell to 15.2% in the 12 months to December 31 from 15.7%. The rate has fluctuated a lot over the past decade with little significant change prior to the 1980s. It stood at 15.6% in December 2009.

The trend is more obvious for men with the underutilisation rate for those aged 15-64 years old increasing to 12.2% in December 2019 from 11.6% in December 2018.

This underutilisation rate reflects the number of people who are unemployed or underemployed and who want to work more hours.

We would expect the female underutilization rate to be higher than the male given that there are more women working part-time who are likely to want additional hours.



Note: ABS, Financy Dec 2019.

WOMEN IN THE WORKFORCE

Employment by sector

Health remains the largest industry employer of women however and has experienced prolonged solid growth. However, more recently, the sector has seen a decline in female employment.

The number of women employed full-time in Health Care and Social Assistance fell marginally to 684,000 this December quarter from 685,400 in September.

Part-time employment of women in this sector, however, increased to 703,900 December from 669,100 in the previous quarter.

The sector has seen a slight drop the number of male full-time employees, putting a potentially brief pause on an otherwise upwards trend over more recent quarters.

The Health sector employed 276,500 full-time male employees in December, down from 277,500 in September and increased its male part-time workforce to 111,400 from 109,100 over the same period.

Traditionally women have been more likely to seek employment in services sectors like Health and Education and Training which in the past have provided more flexible work arrangements, particularly in part-time roles.

The sector with the most female employment growth during the December quarter was Agriculture, Forestry and Fishing, which employed about 25% more women in full-time roles to reflect 43,000 positions.

By contrast the sector with the least female employment growth was Rental, Hiring and Real Estate Services with a 14.5% drop to reflect 63,200 full-time employed women.

Employment by age group

The most active female age group in the workforce are 25-34 year olds with 966,900 in full-time employment, which is up 7% over the past 12 months years.

For many women this is the key career-building time of their lives, but it is also the period where many start to consider career breaks as a result of having children.

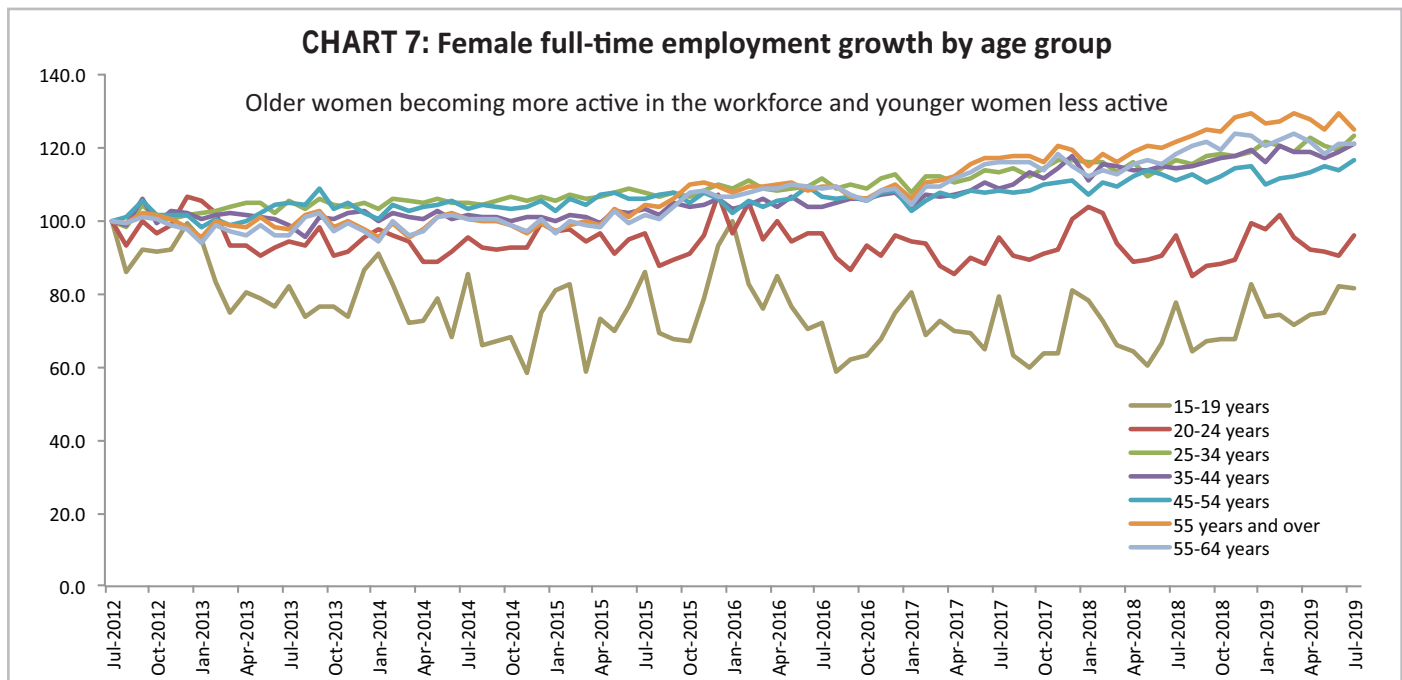
It's not surprising then that when we look at slightly older women aged 35–44, workforce participation starts to decline (739,000) and employment growth was 4% in 2019. This is the same pace of annual growth as for women aged 20-24 years (327,000 employed), reflecting increasing challenges faced by all new labour market entrants.

Over the past five years, the biggest jump in employment growth has been more promising for 35–44 year olds and has climbed 22% since December 2014, compared to 19% for women 25-34 years over the same period.

This higher level of growth is likely to reflect that more Australian women are working well into the average child raising years and are also returning to work sooner after having children than older generations.

Participation then picks back up again among women 45-54 years to 760,000 female employees. This age group recorded the least amount of annual employment growth at 1% for 2019 and 10% for the past six years.

WOMEN IN THE WORKFORCE



Note: ABS, Financy Dec 2019.

The biggest increase in employment participation among women has been among those 55 years and over with 558,000 in full-time work, up 34% since December 2014.

This may reflect a combination of things including being finally able to return to the workforce for the Third Act or third career phase after having children, as it is commonly termed.

Financial security is also important among women in this age group, particularly those with inadequate superannuation balances and retirement income streams, and who may not own their own homes.

A higher cost of living in a low interest rate environment has also made it more difficult for those with low superannuation balances therefore adding to the pressure for older Australians to keep working.

The number of women over 55 years of age who were homeless increased by an alarming 31% to 6,866 in 2016, up from 5,234 persons in 2011, according to the most recent Census by the ABS in 2016, as reported in 2018.

By contrast men accounted for 63% of older persons who were homeless on Census night in 2016, increasing by 26% (2,407 persons) to 11,757.

“2019 delivered record participation among women in the workforce.”

WOMEN IN THE WORKFORCE



Suggested actions to improve the progress of female employment growth:

Organisations, industry and government can all support greater female participation in the workforce by focusing on increasing engagement with their female employees as well as incentives and programs that help with career breaks to have children. Among the ideas for suggested actions are:

Set gender targets and build a culture of inclusion

Like any other business outcome, what gets measured gets done. Achieving gender diversity rarely happens accidentally. Employers can set gender targets for leadership and across the business.

Importantly workplaces need to ensure there are clear and supportive strategies in place to achieve these targets, identify and remove barriers to participation, and ensure a culture that supports women sustainably participate in the workplace, particularly in senior leadership roles - otherwise women may not be set up for success.

Develop strategies to support gender equality

Key areas of focus for organisation are around ensuring policies and strategies are in place to support gender equality in recruitment, learning and development, promotion, pay and performance evaluation.

Organisations can put in place specific initiatives to grow their female talent pipeline (as well as men), to support women leaders in the business with more part-time or job share senior leadership roles.

Normalise and mainstream flexible work arrangements

The availability and normalisation of flexible work practices is also essential to enabling gender equality.

Leading organisations are implementing flexible work policies which have a starting position of 'say yes to flex', remove the need to provide a reason for flex, and focus on building the capability of managers, individuals and teams to work as flexible works.

Provide support for family and caring arrangements

In addition, continued support is needed by employers to enable women and men to play active roles in parenting and other caring roles.

Employers who want to attract and retain more women could also offer the payment of superannuation while on paid and unpaid parental leave; and could also provide well thought out return to work programs.

For example, leading practice organisations are providing between 8-26 weeks of paid parental leave, plus superannuation on their employer funded schemes.

This is paid in addition to the government scheme; is available under any circumstances where there is a new baby (adoption, same-sex couple, surrogacy); there is no requirement to repay any portion if they do not return to work; leave is equally available to women and men; removes the terms primary and secondary carer; and there is flexibility in how this can be taken must be provided (e.g. part-time for part of the paid duration, taken over three years).

Employers such as EY, Mirvac, Deloitte, QBE, Medibank, and Diageo have all implemented progressive parental leave policies that remove gender from the policy and provide women and men with the same leave entitlements. The policies are specifically designed to encourage 'shared caring' and these employers actively encourage men to take parental leave and work flexibly.

Take action at the industry level

Industry-wide initiatives may include; co-funding school and university scholarships for women; developing industry tools and resources to support gender equality and inclusion initiatives; development of industry-wide employee value propositions; showcasing women and men who are positive examples of gender equity, and providing women's networking opportunities.

For example, the Male Champions of Change group has established industry-specific groups in: architecture; sport; property; STEM (science, technology, engineering and mathematics); built and natural environment consulting; and Fire and Emergency. These groups 'activate peer groups of influential male leaders, supports them to step up beside women, and drives the adoption of actions across private sector and government'.

WOMEN IN UNPAID WORK

The gender gap in unpaid work fell to a record low in 2019 with an emerging trend among younger women to do fewer household and caring tasks than the generations before them. Nevertheless, this gap remains unacceptably high.

Data from the latest 2018 Household, Income and Labour Dynamics in Australia (HILDA) Survey and found that the gender gap in unpaid work for people in a coupled relationship, with and without children under 18 years of age living with them, was 60%, down from 71% in 2017.

Unpaid work takes into account time spent caring for children but also those unpaid domestic household errands, such as housework and admin as well as outdoor tasks like mowing the lawn.

The amount of time spent doing unpaid work such as that identified above can limit a person's ability to participate in the paid workforce and can have a direct impact on their financial progress.

In 2018, the average woman in a relationship did 38.9 hours per week of unpaid work compared to 24.3 hours a week for men.

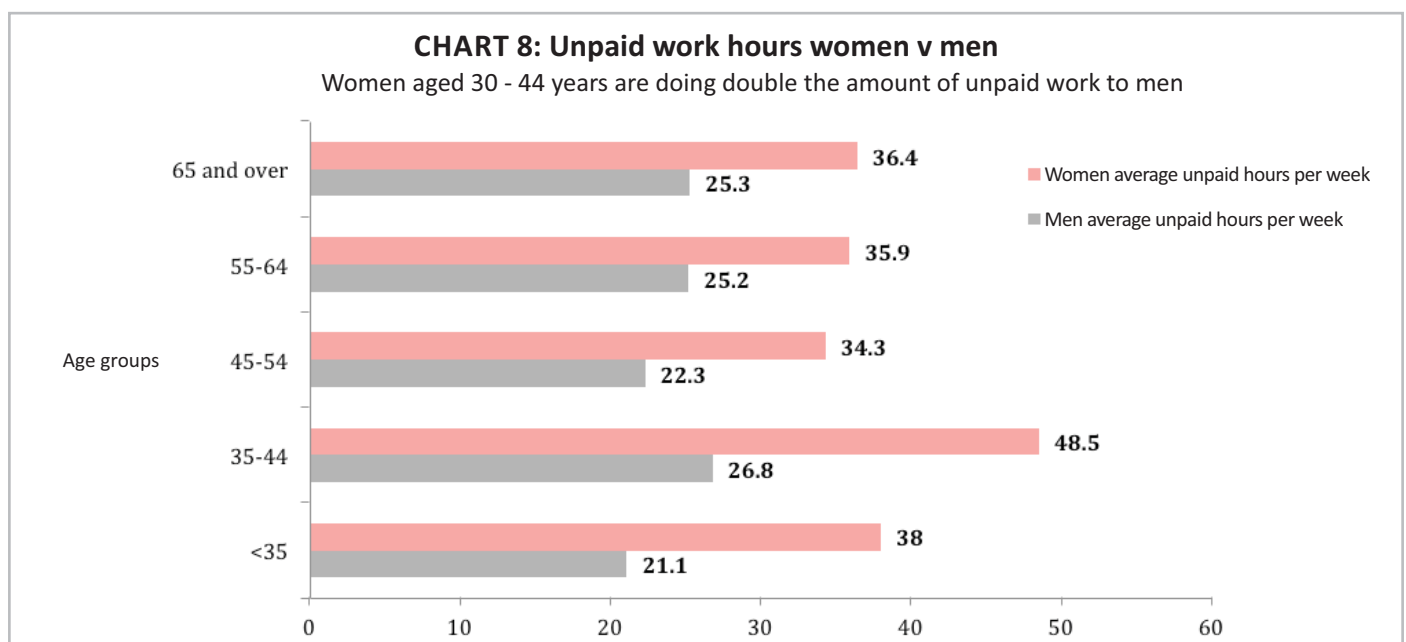
The gender gap in unpaid work has been improving over the past 20 years, which is a period that reflects a rise of dual income families, more people delaying marriage and a decline in the total fertility rate.

The median age for women to become first-time Mothers was 31 years as of 2017, while for men to become Fathers it was 33 years.

The gender gap in unpaid work for couples regardless of whether they had children, stood at 95% in 2002 with women doing 41.2 hours per week, which at that time was nearly double the 21.1 hours a week for men.

Since then the gender gap in unpaid work has narrowed but has only flirted with breaking below 60% without any success over the past six years.

If we look at specific age groups in terms of unpaid work for those in a coupled relationship, there's been a definite reduction in hours worked for those under 35 years.



Notes: HILDA Survey, 2018 and Financy June 2019.

WOMEN IN UNPAID WORK

In 2018, women under 35 years were doing 6% less, or 38 hours per week compared to 40.4 hours a week in 2017.

This is actually the lowest result we have seen for women under 35s in coupled relationships since 2002 – which is the furthest back our data sample goes.

Men under 35 were doing 5% more unpaid work in 2018 at 21.1 hours per week versus 20.1 in 2017.

Interestingly women aged 35-44 were doing the most unpaid work of any age group and that's despite doing 6% less than they used to.

The number of unpaid hours for women aged 35-44 was 48.5 a week in 2018, compared to 51.7.

It's the opposite for men of this demographic who in 2018 did 4% more unpaid work at 26.8 hours per week compared to 25.8 in 2017.

This shift in those under 45 years is likely to reflect changing social and family dynamics with more men taking on a greater level of responsibility for caring for children and household tasks.

It may also be evidence of financial strain on couples due to the high cost of housing in Australia.

Couples could also be getting a little better at sharing the load in unpaid work.

By contrast, older women in coupled relationships were doing 9% more unpaid work than in 2017 but the number of hours is still less than younger women.

Women aged 55 and over were doing 35.9 hours per week unpaid in 2018 compared to 32.8 in 2017.

Men of the same age were doing a 13% more unpaid hours at 25.2 hours per week in 2018, up from 22.4 the year before.

Part of the reason for this is a decision among parents to delay having children later in life.

The average Australian woman is more likely to have 1 or 2 children these days with the national fertility rate (TFR) being 1.74 babies per woman, according to the ABS. This rate is the lowest it has been since 2001.

In the past 30 years, the fertility rate of women aged 35-39 has more than doubled and for women aged 40-44 it has tripled. By contrast, teenage fertility nearly halved during this period, according the ABS Births Australia data.

Paid versus unpaid work

One of the arguments used to explain why women have historically done so much more unpaid work relative to men, aside from being the primary carers of children, is that men tend to spend more time in paid employment.

But when we look at the combination of unpaid and paid work hours, we have found that Australian women having being doing more overall. Perhaps it's become a case of trying for too long to be superwomen and "have it all"?

The latest data from 2018 shows that women spent 62.2 hours per week in both paid and unpaid work, compared to 59.1 hours for men.

The proportion (or ratio) of time spent by women on unpaid duties exceeds that of paid work and takes up 62.5% of their total work hours whereas for men it takes up 41.1% of their time.

There is a clear gender gap in the amount of unpaid work performed in Australia and this needs to change if we are to better support the participation of women in the paid workforce, and with it their

WOMEN IN UNPAID WORK

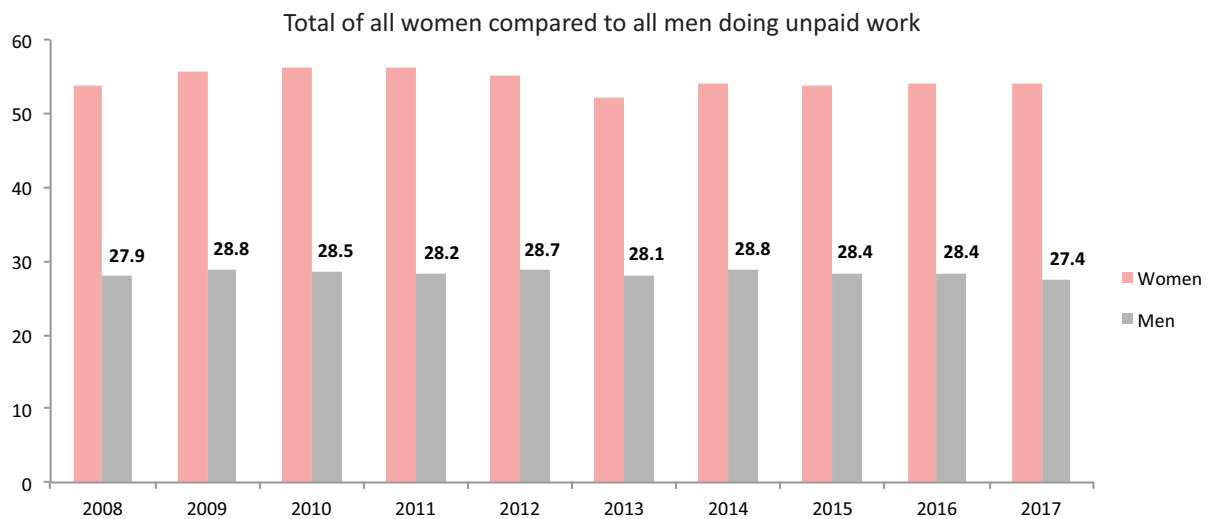
financial security.

Whether this gender imbalance is influenced by choice, necessity, gender bias, or social and cultural expectation, it often means that women, particularly those in relationships, are more likely to occupy insecure jobs, earn less than men and retire with less.

This unpaid work imbalance can also limit the career opportunities that a person pursues and their educational choices.

While some women may prefer to take on more caring responsibilities of children, aging parents and housework, this analysis suggests that many women simply do not have the time to allocate to paid opportunities and would be somewhat restricted in achieving their full economic potential.

CHART 9: Unpaid work of all women v men, single and partnered, with children under 18 years.



Notes: HILDA Survey, 2018 and Financy Dec 2019.



Women on the whole are doing significantly more unpaid work than men across all age groups, irrespective of whether they have children or not, and despite the rise in both female participation in the workforce and the number of women working full-time.

Despite there being little change in the amount of unpaid work over the past decade, there is growing social awareness in favour of equality in unpaid work particularly in light of the rise of dual income families.

WOMEN IN UNPAID WORK



Suggested actions to improve the gender balance in unpaid work:

The gender disparity in unpaid work is a significant hurdle that's often unfairly holding back the financial progress of women.

What's needed are a variety of awareness and education campaigns that challenge gender stereotypes yet remain supportive of choice and positive influence on the family.

Campaigns to break down stereotypes of “women’s work” and “men’s work”

The actions that can be taken include a national social awareness response of the need to “share the load” on unpaid work so that gender stereotypes on unpaid work can be corrected and business, individuals and families are better educated on the benefits of shared duties.

Governments ought to consider a social awareness and educational or media campaign that challenges gender stereotypes where they disadvantage and often indirectly discriminate against women.

It is important that such campaigns talk to children and adults as gender stereotypes often start from a young age.

For instance, young girls are often taught to play nice and be complacent, whereas boys are often encouraged to play rough and be tough.

Such campaigns would ideally remove the idea of “women’s work” as being traditionally in the home and soft, and “men’s business” as being outdoors and tough. Ideally we need to be more inclusive of both genders to help normalise unpaid work in the home, workforce and in schools.

Promote flexible work equality and shared caring

Employers can play an important role in enabling greater sharing of unpaid work through more progressive parental leave and flexible work policies and practices.

Joel McInnes, Co-founder, FlexCareers, states ‘As family and work life becomes more blended, thanks in large part to increasing workplace flexibility for parents, progressive employers will need to refresh their family flexibility policies to remain ever more competitive’.

There will be an expectation that employers provide gender neutral flexibility and leave policies to support all different types of family structures and recognising that both women and men have roles and responsibilities outside of work.

“The unpaid work gender gap remains unacceptably high and a barrier to progress.”



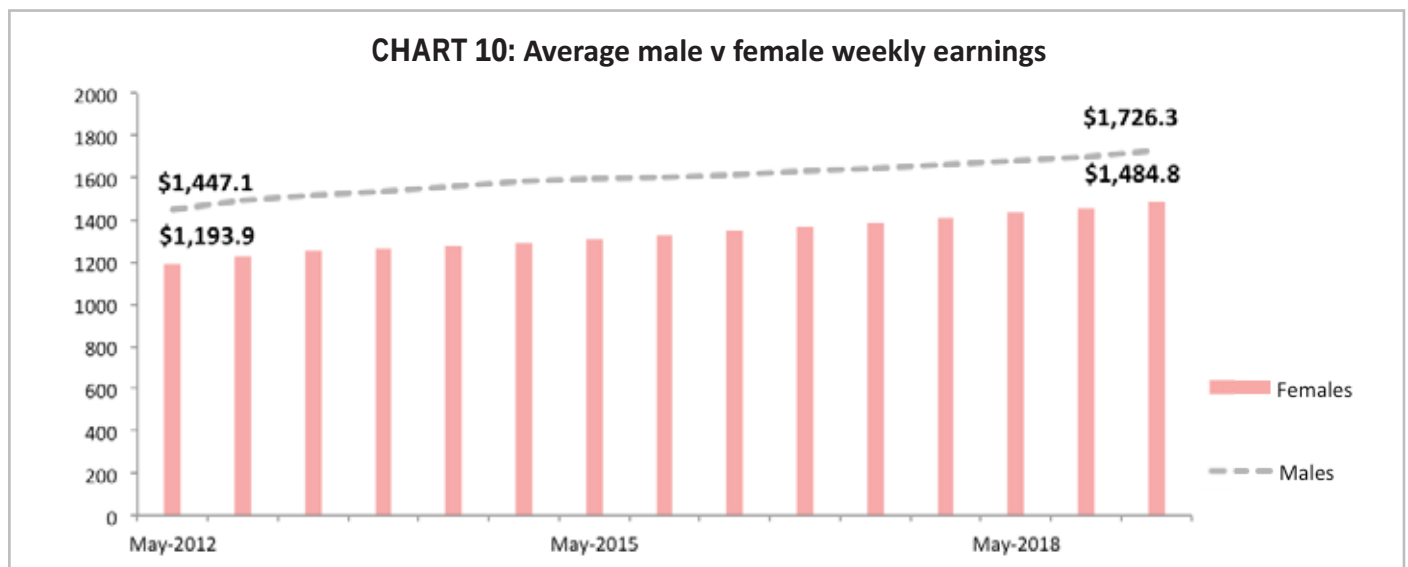
GENDER PAY GAP

In 2019, the gender pay gap narrowed to 14.02% from 14.53% a year earlier, and while this is positive news, the annual pace of change in closing the disparity was the slowest since 2015.

The average female employed full-time earned \$1485.50 in May, as reported in August 2019 compared to 1456.50 a week for the same period last year.

This latest result means the average woman working full-time earns about 14% or \$242.20 per week less than the \$1727.70 earnings of the average full-time employed man.

“2019 records slowest pace of closing the gender pay gap since 2015.”



Source: ABS and Financy Dec 2019.

In 2019, the gender pay gap narrowed by only 0.51 percentage points, which is by far the worst in terms of pace in recent years.

The best year for improvement over the past decade was 2016, with a 1.66 percentage point reduction in the national gender pay gap, followed by 2017 (-0.89 percentage points) and then 2018 (-0.78 percentage points).

For the 2019 calendar year, all but four Australian industries recorded a narrowing of their gender pay gap.

The three industries with the biggest reductions in their gender pay gaps over the past year include Other Services, Rental, Hiring and Real Estate Services and Mining.

Other Services managed to narrow its gender pay gap by the most of any sector with a 5.2 percentage points decline to achieve the lowest wage disparity at 3.5%.

This sector encompasses a broad range of personal services, as well as religious, civic, professional and other interest group services including repair and maintenance activities; and private households employing staff.

GENDER PAY GAP

The average female employed full-time in Other Services earns \$1,238 per week, which is 6% more than a year ago, and 39% more than in May 2009, as reported in the August of that year.

The average full-time male earns \$1,283 per week.

Rental, Hiring and Real Estate Services reduced its gender pay gap by 4.6 percentage points down to 19.6%, which is still one of the highest gender disparities of any sector.

The average female in this sector earns \$1,255, which is 2% more than 12 months ago and 31% more than 20 years ago.

Mining narrowed its gender pay gap by 4.3 percentage points to 12.7% in 2019, which is significant for a predominately male dominated industry. The reduction also takes mining's gender pay gap below the national average of 14.02%.

Women who have chosen to work in the Mining sector for the past two decades have received a 50% pay increase, which is the most significant of any sector over this time frame and reflects employee demand due to Australia's mining boom.

The average woman working full-time in this sector earns \$2,286 per week. Mining is the best paying industry for both genders.

The gender pay gap as measured by the ABS Average Weekly Earnings data is reported twice a year in February, reflecting November data and August, reflecting May outcomes.

The wage disparity is the difference between women and men's average weekly full-time earnings, expressed as a percentage. Trend data is used to calculate it here.

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).

Financial and Insurance Services still holds the title for having the worst gender pay gap at 24.4%, despite a 2.2 percentage point reduction in 2019. The average full-time female employee in this sector earns \$1,691 per week compared to \$2,237 for the corresponding male.

Financial and Insurance Services is the second highest paying sector of men, behind Mining, and Professional, Scientific and Technical Services is the third best paying.

Professional, Scientific and Technical Services has the second highest gender pay gap and recorded the biggest widening of its gender pay gap, which rose 2 percentage points to 24.3% in 2019.

The average full-time working woman in this sector earns \$1,606 per week, which is about 4% more than this time last year.

The female dominated Health Care and Social Assistance sector has the third biggest gender pay gap at 23.9% despite a 1.1 percentage point reduction in 2019.

Women working full-time in this sector earned an average weekly wage of \$1,435, which is a 3% improvement on a year earlier. Men in the sector who work full-time earn a comparative \$1,886 a week on average.

The second best paying industry for women behind Mining is Information Media and Telecommunications, which has a 17.1% gender pay gap.

GENDER PAY GAP

Despite being above the national average, the sector's gender pay gap fell by 1.4 percentage points in 2019 and sees the average full-time working women earning \$1,758 per week versus \$2,120 for men.

The third best paying sector for women is Electricity, Gas, Water and Waste Services, which recorded a widening of its gender pay gap in 2019.

The industry has a gender way disparity of 11.5%, which is up 0.8 percentage points on 2018.

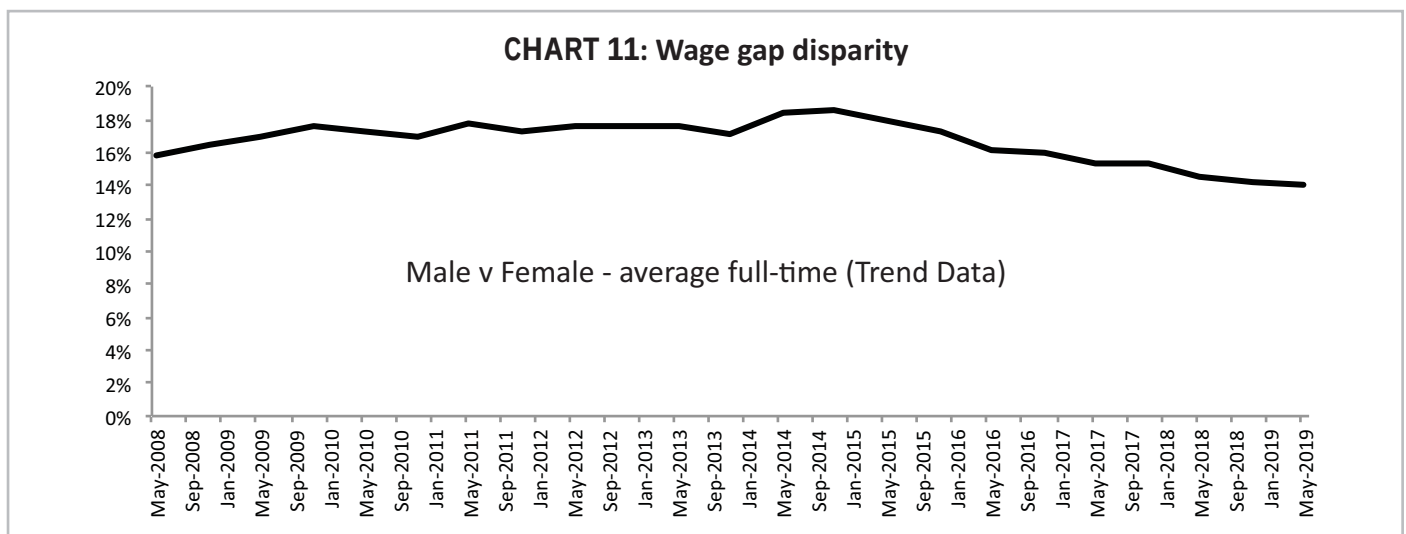
The average woman working full-time across this industry earns \$1,703 per week versus \$1,924 for the corresponding man.

The female dominated Education and Training sector is the fourth best paying career path for women and has kept its gender pay gap steady at 11.5% over the past year.

The average full-time female employee earns \$1,690 per week, which is 2% more than a year ago and compares with \$1,909 for the corresponding male.

Arts and Recreation Services also recorded a widening of its gender pay in 2019, to 19.8%, which is an increase of 0.5 percentage points on a year ago.

The sector pays the average full-time female employee \$1,370 per week, which is 2% more than the corresponding period last year.

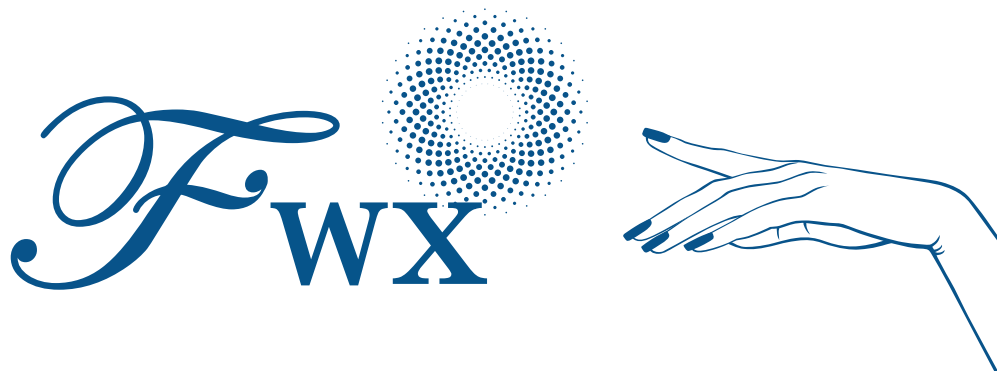


Source: ABS, Financy, Data Digger, Sept 2019.

Note: 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

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	\$1,728	5,492	1,349	\$1,486	3,343	2,798	14.0%
Mining	\$2,617	204.0	6.5	\$2,286	34.4	6.4	12.7%
Agriculture, Forestry & Fishing	n/a	175.3	37.2	n/a	63.5	43.1	n/a
Electricity, Gas, Water & Waste Services	\$1,924	111.9	8.5	\$1,703	26.2	7.9	11.5%
Information Media & Telecommunications	\$2,120	105.4	24.0	\$1,758	53.2	26.4	17.1%
Education & Training	\$1,909	225.0	85.6	\$1,690	436.8	341.5	11.5%
Public Administration & Safety	\$1,748	383.9	41.4	\$1,662	304.5	106.9	4.9%
Financial & Insurance Services	\$2,237	205.2	17.8	\$1,691	179.0	59.8	24.4%
Professional, Scientific & Technical Services	\$2,122	574.8	72.5	\$1,606	324.8	175.6	24.3%
Health Care & Social Assistance	\$1,886	276.5	111.4	\$1,435	684.6	703.9	23.9%
Transport, Postal & Warehousing	\$1,670	435.1	86.3	\$1,410	88.1	48.9	15.6%
Wholesale Trade	\$1,637	231.8	32.3	\$1,390	72.5	40.7	15.1%
Arts & Recreation Services	\$1,707	82.1	40.5	\$1,370	46.0	83.1	19.8%
Manufacturing	\$1,471	602.1	60.7	\$1,310	175.3	78.9	10.9%
Construction	\$1,614	924.1	117.1	\$1,397	82.7	64.8	13.4%
Administrative & Support Services	\$1,646	134.6	62.9	\$1,377	118.1	121.8	16.4%
Rental, Hiring & Real Estate Services	\$1,560	97.1	20.1	\$1,255	63.2	35.8	19.6%
Other Services	\$1,283	222.9	49.9	\$1,238	117.7	109.2	3.5%
Retail Trade	\$1,219	362.0	197.0	\$1,172	283.9	432.6	3.9%
Accommodation & Food Services	\$1,207	191.5	227.7	\$1,097	171.2	338.4	9.1%

Source: ABS, Financy, Dec 2019.

Note: For consistency in the Report and calculation of the Index score, the All Industries headline data in this table reflects the seasonally adjusted monthly data in Labour Force, Australia, Dec 2019 (category 6202.0). The job breakdown by industry and wages paid within those sectors is derived from original quarterly data from the Labour Force, Australia, Detailed, Quarterly, Nov 2019 (category 6291.0.55.003).

GENDER PAY GAP



Suggested actions to improve the progress of the gender pay gap:

The gender pay gap is narrowing thanks to increased female work participation and public awareness for change but closing it altogether is going to require a lot more moving parts to take place.

Among the key actions include removing many of the barriers to women's full participation in the workforce, starting with childcare, normalising flexible work arrangements, introducing shared care parental leave policies and paying superannuation on parental leave.

More women in leadership

Continue to increase the number of women in leadership, executive roles and CEO roles.

In 2019 we saw a woman, Shemara Wikramanayake of Macquarie Group, top CEO pay. However, with only 12 women heading up companies in the ASX 200, we there will continue to see discrepancies in average pay nationally, within industries and within organisations.

Address occupational segregation

A significant driver of the national gender pay gap is occupational segregation – that means that female dominated industries are on average paid lower than male dominated industries.

Even within female dominated industries such as Health and Education, gender pay gaps exists due in part to a lack of women in leadership.

Breaking down social norms regarding what roles and industries are appropriate for men and women is a critical step to addressing gender pay gaps.

Organisations need to analyse their data and take action

“Organisations often don't believe they have a gender pay gap until they look at their data” says Dr. Heidi Sundin Director of the Agenda Agency and committee member of the Financy Women's Index.

To address organisational wide and like-for-like gender pay gaps, leading practice set out in the Workplace Gender Equality Agency (WGEA) Employer of Choice citation guide include:

- Establish a remuneration policy and strategy that contains specific gender pay equity objectives.
- Undertake a gender pay gap analysis.
- Where gaps are identified set targets to reduce the gaps.
- Take action on gender pay gaps such as immediately correcting like-for-like gaps; establishing an annual budget for correcting gender pay gaps; undertaking a job evaluation process to identify remuneration bias; ensuring hiring managers and recruitment (internal and external) teams are trained on pay equity and the controls in place to reduce and eliminate gender pay gaps; and reducing and eliminating bias from the performance management system.
- Women and men on primary carer's leave must be included in organisation's annual reviews of salaries and annual bonus payments.
- Organisations must analyse and compare the results of performance reviews by gender.

Empower individuals to take action

While organisations should put in place systems and process to address gender pay gaps, individuals can play a role in raising these issues. Key actions that individual can take include:

- Checking that your employer has a remuneration policy that supports gender pay equity and conducts a gender pay gap analysis by checking their annual WGEA report, where relevant.
- Selecting to work for an employer who is a WGEA pay equity ambassador or WGEA Employer of Choice citation holder. This won't always be possible due to company size, but it may even serve the basis of a healthy discussion with an employer on values and thoughts on pay equity.
- Raise questions about the policies and practises that your employer has about gender pay equity.
- When applying for roles spend time researching the salary range for your role so you have specific data points.
- Do not feel compelled to answer the question 'what was your last salary' and rather ask for transparency from the organisation on their salaries for roles.

WOMEN ON BOARDS

The number of women represented on ASX 200 boards finally reached and surpassed a key threshold of 30% in 2019.

The ASX 200 now consists of 30.7% female board directors, which is up from 29.7% in December 2018.

Over the December quarter, the balance of director appointments was still dominated by men with 69 women appointed (39.7%) and 105 (60.3%) men to the boards of the top 200 listed Australian companies.

Despite surpassing the 30% target, which had been set by the AICD to be achieved by the end of 2018, this year has been one of the weakest of the decade for improving gender diversity on Australian corporate boards.

The pace of progress was the disappointing factor as the number of female board members rose by 1.1 percentage points overall which is about the same pace achieved in 2017.

In fact until the December quarter, it looked unlikely that the 30% gender target would be achieved after female appointments fell in September to 29.5%.

To date the best year on record has been 2018, when female appointments to ASX 200 board positions rose 3.7 percentage points.

CHART 12: ASX 200 female board appointments pace of change

2019 slow year for ASX 200 female board appointments

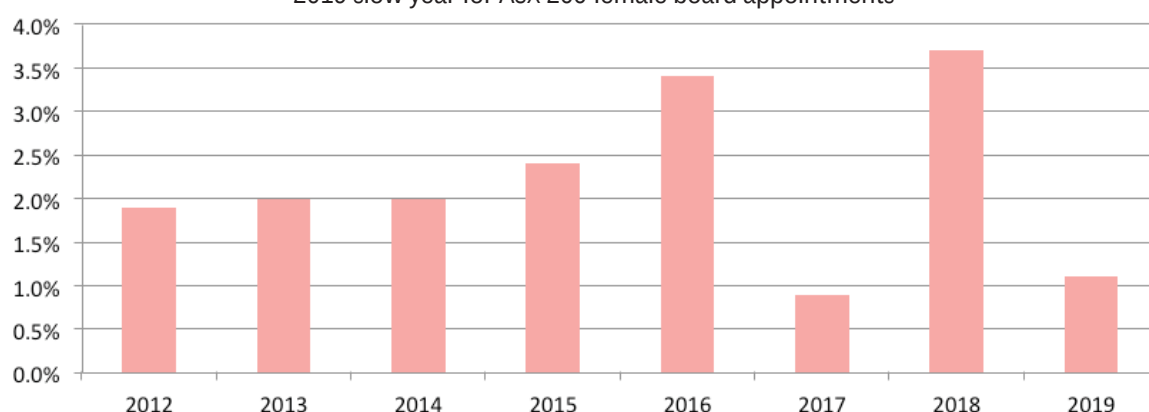
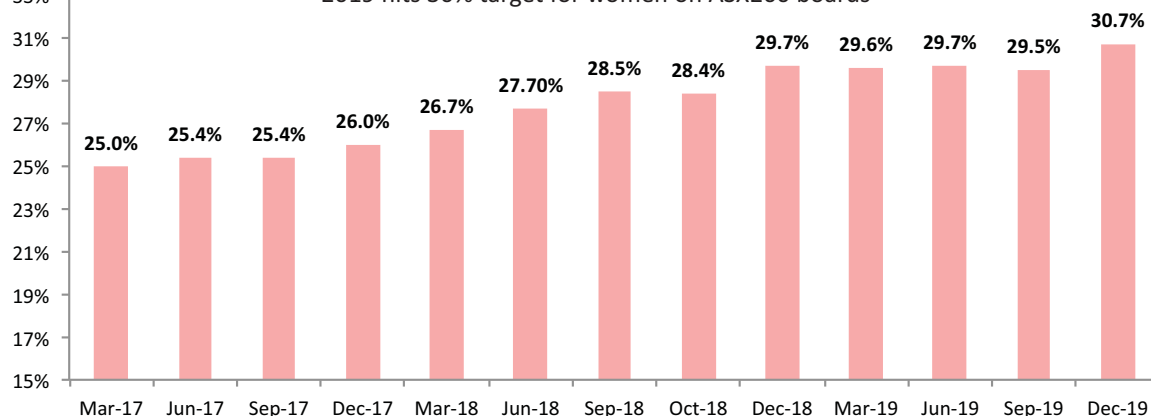


CHART 13: ASX 200 female board representation as %

2019 hits 30% target for women on ASX200 boards



Source: AICD and Financy Dec 2019

WOMEN ON BOARDS

Since December 2015, which was the year that the AICD announced the 30% target, the number of women on boards has increased by 9 percentage points.

The biggest listed Australian companies, by market capitalization, are doing significantly more to improve gender diversity on boards.

Female representation on ASX 20 boards rose to 36% in December - the highest it has been - from 35.1% in September and 34.8% in December 2018.

The dip in leadership progress on boards is likely to have been affected by a growing number of companies without even a single female director.

Like in the September quarter, there are still six companies without a woman on their board including TPG Telecom Limited, HUB24 Limited, NRW Holdings Limited, Pro Medicus, New Hope Corporation Limited and Silver Lake Resources Limited.

More positively however, there are now 15 companies which now have 50% or more female directors on their boards and they include Bapcor Limited which has tipped the gender balance to 60% women and 40% men.

TABLE 3: ASX 200 standouts for improving gender diversity

Account Name	Female	Male	Female	Male
Bapcor Limited	3	2	60.0%	40.0%
NIB Holdings Ltd	4	3	57.1%	42.9%
Woolworths Group Ltd	5	4	55.6%	44.4%
Medibank Private Limited	5	4	55.6%	44.4%
Commonwealth Bank of Australia	5	4	55.6%	44.4%
Fortescue Metals Group Ltd	5	5	50.0%	50.0%
Mirvac Limited	4	4	50.0%	50.0%
Ansell Limited	4	4	50.0%	50.0%
Spark New Zealand Limited	4	4	50.0%	50.0%
Abacus Property Group	3	3	50.0%	50.0%
CSR Limited	3	3	50.0%	50.0%
Clinuvel Pharmaceuticals Limited	3	3	50.0%	50.0%
Unibail-Rodamco-Westfield	5	6	45.5%	54.5%
CSL Limited	4	5	44.4%	55.6%

Source: AICD, Financy, Dec 2019

Woolworths is the largest ASX 20 company with the highest level of gender diversity with 55.6% female board representation versus 44.4% male.

Commonwealth Bank of Australia is the country's largest listed company by market value and has more women (55.6%) than men (44.4%) on its board.

Women represented 39.1% of overall managerial positions in a dataset of over 4.1 million employees in 2017-2018 compared to 35% in a dataset of 3.9 million employees in the 2013-2014 reporting year, according to WGEA

WOMEN ON BOARDS



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

Continued support is needed to achieve greater gender diversity on boards and even set a new short-term target of 40% for female representation on the ASX 200.

Organisations can also set their own targets for board gender diversity and ensuring that professional recruitment processes are conducted for new Board appointments, requiring both female and male candidates on the short list.

In relation to achieving the 30% target AICD CEO and Managing Director, Angus Armour, said, “While the target was reached later than planned, this is a great achievement. We should celebrate the progress that has been made.

“The challenge now is to stay focused and maintain momentum. Smaller listed companies need to demonstrate they are also committed to the benefits of gender diversity,” Mr Armour said.

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.

One of the commonly cited reasons for the lack of gender diversity on boards is that there is a shortage of suitably qualified women for directorships.

Whether or not you subscribe to this thinking, or rigorously reject it, there is more that can be done to build the female leadership talent pool, particularly where it relates to women with financial skills.

The following ideas are aimed at better supporting women to become board ready.

For example:

- Continuing to focus on women in leadership, executive and CEO roles.
- Mentoring and sponsorship for female executives to prepare for Board roles.
- Support Board ready courses provided by Women On Boards.
- Professional development support for women to undertake the AICD Directors Course.
- Support women obtaining Board level experiences such as participating on non-profit Boards.
- Internal leadership programs that support and encourage more women to pursue management and leadership roles with profit and loss (P&L) experience is also believed to be needed to help women secure future board roles.

There are a range of resources provided by Women On Boards to help women become Board ready.

In addition to the skills and resources that can support women in board positions, there is also a need for business to better understand the benefits of board diversity.

In a recent Ernst & Young article Kerrie Waring, CEO of the International Corporate Governance Network said that “Board quality is dependent on Board diversity – and for this, we need a combination of skills and experience.

This transcends gender and includes ethnicity, social class and cognitive reasoning. Diverse boards are less prone to ‘group think’ and more likely to embrace new approaches to meet future threats and opportunities.”

Increasing the level of diversity on Boards can increase the culture of constructive challenge and questioning.

A key factor to increase the number of women on Boards is a deeper understanding of the need for change.

SUPERANNUATION GAP

The gender gap in superannuation has declined at its fastest annual pace in over a decade thanks to increase contributions and female workforce participation.

The average gender gap in superannuation fell a record low of 28% based on the latest data and has more than halved across most age groups since 2004.

The most recent superannuation account balance data released for the 2017-18 financial year by the Australian Bureau of Statistics (ABS) shows that the gender gap by 5.6 percentage points from 33.6% (34%) in 2015-16 financial year and from 50% in the 2003-04 financial year.

By contrast the gap narrowed by 4.8 percentage points in the 2015-16 from 38.3% (38%), and 0.4 percentage points from 38.7% (39%)

Women aged 55-64 years have seen the most significant improvement in the gender gap, which currently stands at 26% compared to 49% in the 2003-04 financial year.

The average superannuation balance for those aged 55-64 years, who are approaching retirement age, otherwise known as preservation age was \$245,100 for women and \$332,700 for men.

In the 2017-18 financial year, the gender gap is at its smallest when a woman is starting out in the workforce.

The gap is at 3% for people aged 15-24 years compared to 21% in the 2003-04 financial year. The average superannuation balance of women in this age group is \$6,100 and \$6,300 for men.

The gender gap significantly widens as women approach the age group of 35-44 years, which reflects a period when the majority of new parents find themselves increasingly busy with children and more likely to work part-time or seek out flexible work arrangements.

Women aged 35-44 years have about 31% less in their superannuation account than men on average, but this is much less than the 49% gap in the 2003-04 financial year.

For those women aged 45-54 years the average superannuation gender gap has fallen to 34% compared to 54% in the 2003-04 financial year. The average superannuation balance for women is \$129,100 compared to \$196,400 for men.

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

The average superannuation balance for those aged 15 and over now stands at \$121,300 for women, which is 28% less than the \$168,500 of men.

By contrast in the 2015-16 financial year, the average superannuation balance for those aged 15 and over was \$105,400 for women and \$158,700 for men. These figures have been adjusted for Consumer Price Inflation (CPI) and are in 2017-18 dollars.

While the superannuation gender gap is closing, largely thanks to increased workforce participation and sustained compulsory and incentivised contributions, women still retire with less than men due largely to time spent in unpaid work and out of the full-time workforce caring for children. Women also earn less than men on average.

What has arguably helped improve the superannuation gender gap has also been greater awareness raising of the adequacy of retirement savings and the strategies that can be used to take advantage of contributions limits.

ASFA notes that a number of measures particularly assist women, such as the Low Income Superannuation Tax Offset.

SUPERANNUATION GAP

As well as lower contribution caps and the Division 293 higher rate of tax on contributions made by upper income earners, which have tended to reduce the scope for mostly men to accumulate very high account balances

AMP research released in the December quarter found that women are the biggest recipients of the low-income super tax offset with the number of females eligible for the tax break increasing significantly around the time they start having children.

Analysis of 174,000 AMP customers over a four-year period revealed a significant jump in the number of women receiving the low-income super tax offset between the ages of 25-33 years.

The low-income super tax offset is a government superannuation payment of up to \$500 per year to help low-income earners save for retirement.

Analysis by the SMSF Association of the latest Australian Taxation Office data found that women made the biggest contributions to self managed super funds (SMSFs) during the 2016-17 financial year as many made use of tax efficient contributions limits.

According to the Association of Superannuation Funds of Australia (ASFA), one in three women and one in four men, across all ages, have no superannuation account.

Around 25% of women and 13% of men are retiring with no superannuation at all.

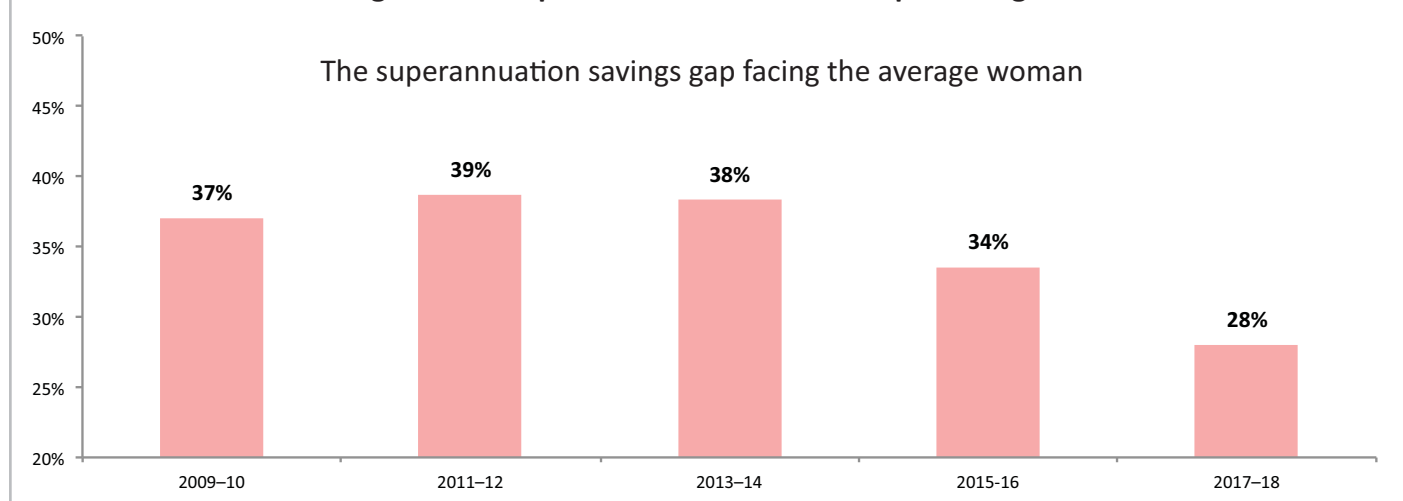
ASFA estimates that the lifetime superannuation gender gap for those 15 years and over and with superannuation has narrowed to from 24% to 22% over the last two years with an average balance for men of \$146,420 and for women of \$114,350.

ASFA also notes in its latest report that the median balance for those nearing retirement and aged between 60-64 years is \$122,848 for women and \$154,453 for men (the median balance is where 50% of the group have a higher balance and 50% have a lower balance). These figures are significantly less than the \$545,000 that ASFA says is needed to achieve a comfortable retirement.

The improvement in the retirement savings of women is also likely to have been influenced by an increasing number of organisations starting to offer improved 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.

CHART 14: Average female superannuation balance as a percentage of male balances



Source: ABS, July 2019. Note: ABS data also includes life-time balances of self-managed super funds.

SUPERANNUATION GAP



Suggested actions to improve the progress of gender gap in superannuation:

Measures to further improve the superannuation gender gap are just as important as improving the gender pay gap despite not getting as much publicity.

What's needed is for the current Review of the Retirement System to include a focus on women and look specifically at the adequacy of employer contributions particularly for those who take career breaks.

More broadly, government and businesses need to support and adopt progressive employer initiatives that are having a positive impact on building the superannuation balances of women, particularly those on parental leave for extended periods.

For example, a number of the major financial institutions continue to pay their employees superannuation while they are on extended paid and unpaid parental leave.

Greater awareness is needed of the various strategies that can be used to help women top up and play catch up on superannuation.

These strategies involve taking advantage of any unused concessional super contributions which can be accumulated over five 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 five years of previously unused contributions.

Women in relationships may also be able to make use of the extended 'spouse contribution tax offset'.

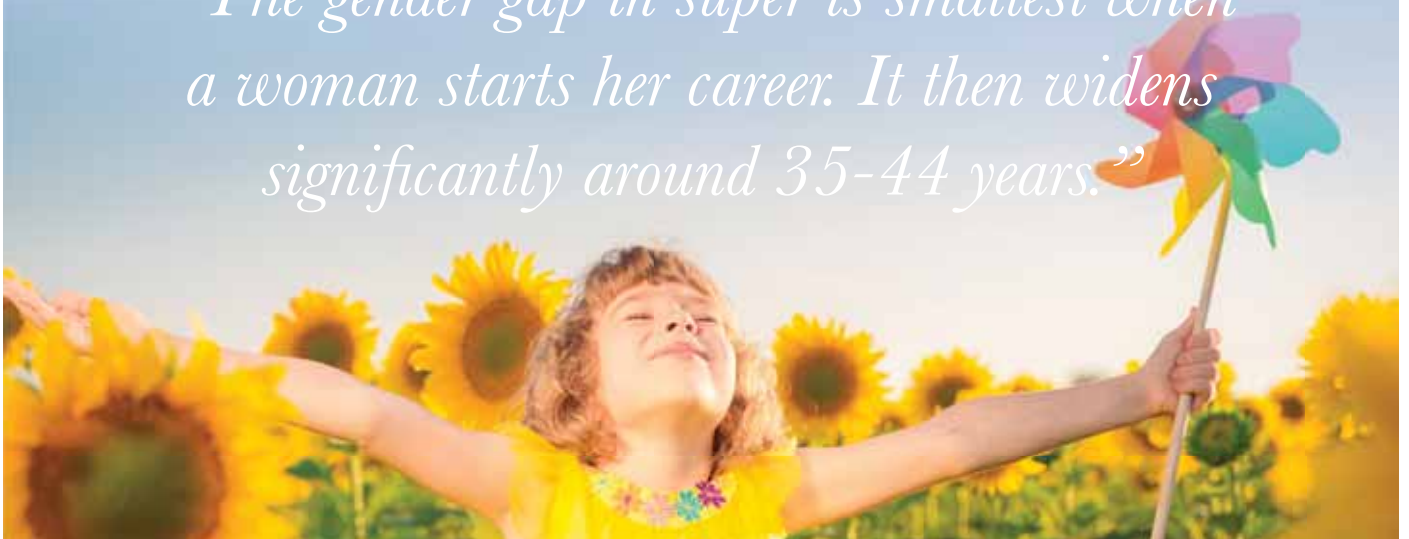
The tax offset allows the higher earning partner in a relationship to make tax reduced super contributions on behalf of their lower earning partner, as long as the lower earner has an income below \$40,000.

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.

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.

“The gender gap in super is smallest when a woman starts her career. It then widens significantly around 35-44 years.”



FWX ADVISORY COMMITTEE

The Financy Women's Index is supported by an Advisory Committee, who are helping to 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: 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: Partner at Deloitte Access Economics.

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: Chief Economist Ernst & Young Oceania.

Jo has been an active part of the economic debate in Australia for the last 15 years. Passionate about driving discussions around the traditional and disruptive forces that shape the economy. Jo is a well-regarded thought leader across economic and policy issues in Australia and the global economy more broadly. Prior to joining EY, Jo was a Senior Economist in the Australian Economics Research team at ANZ. Prior to that, Jo spent over a decade at Macquarie Bank in Economic Research and Foreign Exchange. As a leading female in economics, Jo works to champion women's equality in the workforce and be a driving voice for better gender outcomes.



Dr Shane Oliver: 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.



Dr Heidi Sundin: Director of The Agenda Agency and an advisor to FlexCareers.

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: 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.

METHODOLOGY

The Financy Women's Index, which is supported by data business Grafa, is designed to provide a credible and up-to-date quarterly measure of the economic progress of Australian women.

The Index focuses on eight key areas aimed at reflecting a woman's working life cycle. These include unpaid work, tertiary education, full-time work, workplace participation, underemployment, wage disparity, board representation of Australia's largest 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.

Executive Summary

The headline quarterly and annual Financy Women's Index is the average of eight 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. Seasonally adjusted data is used where it is available. Data enhancements as well as underlying data revisions also lead to revisions of the Women's Index. One notable change in the December quarter of 2019 is the carry forward of unavailable data each quarter, such as superannuation data which is released every two years. We have done this to ensure that all data is considered in the calculation of each Index.

Tertiary Education

Table 1, Chart 3 & 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 various percentage changes. The annual data is updated once a year. Tertiary Education Attendee figures are derived from ABS Labour Force data category 6202.0 Table 15. Graduate salaries data provided by the Australian Government Department of Education funded organization, Quality Indicators for Learning and Teaching (QILT), and contained in the 2019 (Longitudinal) Graduate Outcomes Survey (GOS). ABS Gender Indicators Report November 2019 has been cited here.

Women In The Workforce

Chart 5, 6 & 7 - Labour Force participation data, age demographic data by gender and part-time to full-time job numbers by gender are based on seasonally adjusted data contained in the monthly data set 6202.0 - Labour Force, Australia, Jun 2019.

Women In Unpaid Work

Chart 8 & 9 - Unpaid work figures have been provided by 2018 Household, Income and Labour Dynamics in Australia (HILDA) Survey. Chapter 5 - The division of paid and unpaid work among couples - contains some of the data featured in this Report where it relates to gender and hours worked. Unpublished HILDA Survey data in relation to age groups has also been analysed for this Report. The HILDA Survey comes out once a year.

Gender Pay Gap

Chart 10 & 11 and Table 2 - 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 Labour Force data monthly 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. Agriculture, Forestry and Fishing is not available given the seasonal and casualised nature of work across this sector of the economy. For consistency in the Report and calculation of the Index score, the All Industries headline data in this table reflects the seasonally adjusted monthly data in Labour Force, Australia, Dec 2019 (category 6202.0). The job breakdown by industry and wages paid within those sectors is derived from original quarterly data from the Labour Force, Australia, Detailed, Quarterly, Nov 2019 (category 6291.0.55.003).

Women On Boards

Chart 12 & 13 and Table 3 - The percentage of women on ASX200 boards is based on board diversity data that is published monthly by the Australian Institute of Company Directors (AICD). Analysis of ASX20 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.

Superannuation Gap

Chart 14 - Superannuation with reference to the average lifetime super balance by gender looks at the total mean for age groups that span 15 to 70 years plus. The data source is the ABS 6523.0 - Household Income and Wealth, Australia, 2017-18, data cube 12 superannuation by persons. The data available comes out once every two years. Data from the Association of Superannuation Funds of Australia (ASFA) and the SMSF Association have been cited here.



ABOUT THE WOMEN'S INDEX



The Financy's Women's Index is written by Bianca Hartge-Hazelman, who is also the publisher of women's money website Financy®

Bianca is a journalist specialising in women's money matters.

She holds a Communications Degree, Master's Degree in Journalism and Graduate Diploma in Applied Finance.

The Index was launched in 2017 with the help of data specialist Dan Petrie of **Graffa**® (formally known as Data Digger).

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

DISCLAIMER

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The Financy 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.

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

The information presented in this report has been carefully reviewed by members of the Economic Advisory Committee and the Australian Bureau of Statistics 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.

Any suggested actions raised in this Report to help the economic progress of women have not been provided by and do not necessarily reflect the views of the members of the Committee or the Australian Bureau of Statistics.



For information on the data contained in the report contact:

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