29 January 2013

Ms Julie Collins MP
Minister for Community Services
Minister for Indigenous Employment and Economic Development
Minister for the Status of Women

Via email: women@fahcsia.gov.au

Dear Minister,

**Re: Workplace Gender Equality Act 2012 - Consultation on reporting matters**

Women on Boards (WOB) and the National Foundation for Australian Women (NFAW) are pleased to provide this submission on reporting matters for the WGE Act 2012.

WOB and NFAW have been involved actively in the EOWA reform process and both have significant expertise in the area of social policy development as it affects women.

In addition, Women on Boards has expertise evaluating diversity programs within organisations as well as providing evaluations of industry performance. In 2012 it produced its inaugural Traffic Light Index (www.womenonboards.org.au/pubs/traffic-light/) which rated 82 companies in the ASX2000 against their compliance with Principle 2 and 3 of the ASX CGC Guidelines and their progress toward a diverse workplace.

This exercise provided insight into the capabilities of companies in developing and monitoring measurable outcomes for diversity. It became clear that some sectors
(eg, banking, insurance, and telecommunications) are more advanced than others
(eg, materials, energy, consumer services and retail). Regrettably some of these less advanced sectors are major employees of women.

As a next step WOB, in concert with representatives from a number of ASX200 companies, the Chartered Secretaries Australia, EOWA, the Australian Human Rights Commission and FINSIA, put together a working group to develop a **Guideline for Gender Balance Performance and Reporting in Australia** (the Guideline). Integral to the Guideline is a framework of 52 indicators as a staged pathway for employers to improve gender diversity outcomes via progressive adoption.

The Guideline is due to be released for broader consultation shortly and will be made available to the WGE Agency in due course.

WOB would be very pleased to be involved in any working group or further consultation.

We are pleased to allow this submission to be made public.

Yours Sincerely
Ruth Medd and Mary Crawford
*On behalf of Women on Boards and the National Foundation for Australian Women*

Submission on consultation questions

Summary

Our submission recommends that the Minister implement the majority of the gender equality indicators outlined within the aforementioned Guideline, but consider adopting a staged process for mandatory reporting. This will enable the many smaller companies impacted by the legislation to work towards a best practice approach in a manageable timeframe using their existing resources.

Accordingly, this submission outlines the 14 indicators we believe should form the initial reportable items to the WGE Act (see Appendix One).

Key outcomes

The WGE Act introduces five Gender Equality Indicators (GEIs) to measure and help drive progress towards five key outcomes as follows:

* To improve women’s workforce participation across Australia
* To improve women’s representation in leaderships positions in workplaces and on governing bodies
* To improve equal remuneration for work of equal value, between women and men
* To increase flexible working for both women and men, particularly those with family or caring responsibilities
* To promote employee and employer engagement on gender equality.
1. *We are in agreement that the outcomes reflect the intent of the Act.*
2. *We do not think that they need amending or expanding at this stage.*

Measurable outcomes and process indicators

## Priority reporting matters

1. *What are the priority measurable outcomes in terms of each key objective (for example, improving equal remuneration)?*
2. *What are the priority process indicators in terms of each key objective (for example, increasing flexible working arrangements)?*

The issues affecting gender equality in the workplace are complex. They include:

* Government policies (taxation, welfare (income support/redistribution, Fair Work Act, child care costs/availability/quality, education/skills development and shortages etc)
* Employers values, industries and occupations and working environments
* Employees and work practices, attitudes and preferred hours of work
* Market forces (labour supply and demand and labour costs)
* Various definitions and interpretations of ‘Gender Pay Gap ‘and Labour Force measurements.

Accordingly considerations 3 and 4 are linked and need to be viewed this way when developing indicators. For example, any push for equal remuneration is unlikely to be successful unless process indicators/ workplace policies such as flexible working arrangements are in place.

## Usefulness

1. *Do employers currently collect this information? What existing information is most useful? What information have employers previously collected but rejected for lack of insight?*

Our understanding is that employers of more than 100 people have access to a wide range of information as a function of complying with a range of existing financial and other legislative obligations. Those employers with advanced understanding of the benefits of diversity, often listed companies with larger numbers of employees (eg banks), use this and additional data to analyse and address workforce participation and related issues. Those employers who do not have gender equality as a priority do not tend to take advantage of the data they have for the purpose of looking at their workforce.

So the issue for the WGE Agency is how to encourage employers to access and use the information already at their disposal to more accurately inform them about their workforce and, in this context, drive progress toward gender equality?

1. *Which outcomes or process indicators are likely to be most useful for employers?*

It is important that the outcomes and process indicators are useful to employees. For some employees this usefulness will only become apparent after they have been encouraged / mandated to collect, analyse and report their information.

The process of communicating the gender equality indicators and working with smaller companies to assist them to comply will be extremely important to ensuring the Act is not viewed simply as an additional burden to companies. Accordingly, we recommend a significant investment in training and support by the Government for smaller organisations, drawing on the resources of the WGE Agency, existing best practice employers, Women on Boards and others.

Minimum Standards

We have addressed this section without looking specifically at other possible considerations numbered 7, 8, 11 and 12 (Impact on business, Assistance and Industries) posed in the consultation document. This because we are best addressed by individual businesses or employer groups.

## Timing

1. *Would it be beneficial or reasonable to phase certain outcome measures or process indicators in over time?*
2. *If so, which ones, and on what basis?*

As outlined in the summary, this submission proposes that 14 gender equality indicators form the initial reportable items to the WGE Act (see Appendix One) in stage one and others be introduced thereafter.

The GEIs indentified in the WGE Act are as follows:

1. The gender composition of the workforce
2. Gender composition of governing bodies
3. Equal remuneration between women and men
4. Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees, and to working arrangements supporting employees with family or caring responsibilities
5. Consultation with employees on issues concerning gender equality in the workplace.

The table below outlines how the GEIs match up with the Guideline and those recommended for reporting.

|  |  |  |
| --- | --- | --- |
| **WGE Act GEIs** | **The GuidelinesKey Indicators** | **\* The GuidelinesGender Equality Indicators****Recommended for Stage 1 reporting**  |
| 1, 4, 5  | Policies and practices  | 6, 10, 11, 12,  |
| 1, 2 | Workplace profile | 14, 15  |
| 3  | Pay equity | 25, 26  |
| 4 | Flexible work practices | 27, 28, 29  |
| 5  | Communication & information | 46, 47, 48  |

Of the 14 indicators proposed in stage one a number will require a simple yes / no answer while the remainder requires reporting of basic data that employees should routinely collect. All industries should be able to report on the initial 14 indicators.

\* Note: We will provide the full Guideline with the 52 indicators when it becomes available.

Appendix One: Gender equality indicators to form the initial reporting items to the WGE Act

|  |  |  |  |
| --- | --- | --- | --- |
| **Key Indicator**  | **GuidelineGender Equality Indicator** | **WGE Gender Diversity Indicators**  | **Recommended answers** |
| Policies & Practices | 6 | Annual reporting of the proportion of women employees in the whole organisation, women in senior executive positions and women on the board. | Numbers to be provided |
| Policies & Practices | 10 | Paid parental leave offered to male and female staff. | The percentage of men and women who are offered and take up parental leave. |
| Policies & Practices  | 11 | A sexual discrimination and harassment policy. | Yes/No |
| Policies & Practices  | 12 | Flexible work practices available to staff. | Yes/No |
| Workplace Profile | 14 | Number of all employees by gender | a) Fulltime, operational/line / business roles (M/F) b) Fulltime, administrative/corporate & support functions (M/F)c) Part-time, operational/line roles (M/F)d) Part-time, administrative/support roles |
| Workplace Profile | 15 | Number of senior executives(CEO-1 and/or CEO-2) by gender  | a) Fulltime, operational/line / business roles (M/F) b) Fulltime, administrative/corporate & support functions (M/F)c) Part-time, operational/line roles (M/F)d) Part-time, administrative/support roles |
| **Key Indicator**  | **Indicator** | **WGE Gender Diversity Indicators**  | **Recommended answers** |
| Pay Equity | 25 | Strategies for improving the gender pay gap  | Yes/No |
| Pay Equity | 26 | Starting salary by gender for all roles. | Males and females employed and on what salary level. |
| Flexible Work Practices | 27 | Number of all employees by gender who utilise flexible work practices (telecommuting, compressed hours, flexi-time etc) and by operational/line / business roles/ full time / part time  | a) Fulltime, operational/line / business roles (M/F) b) Fulltime, administrative/corporate & support functions (M/F)c) Part-time, operational/line roles (M/F)d) Part-time, administrative/support roles |
| Flexible Work Practices | 28 | Number of all employees by gender who utilise parental leave by operational/line / business roles/ full time /part time  | a) Fulltime, operational/line / business roles (M/F) b) Fulltime, administrative/corporate & support functions (M/F)c) Part-time, operational/line roles (M/F)d) Part-time, administrative/support roles |
| Flexible Work Practices  | 29 | Number of all employees by gender who return to work after parental leave by operational/line / business roles/ full time /part time | a) Fulltime, operational/line / business roles (M/F) b) Fulltime, administrative/corporate & support functions (M/F)c) Part-time, operational/line roles (M/F)d) Part-time, administrative/support roles |
| Communication & Information  | 46 | Anonymous staff surveys are conducted to benchmark staff attitudes to gender diversity, track changes and test perceptions of achievements. | Yes/No (see suggested Staff Survey Questions at Appendix 3) |
| **Key Indicator**  | **Indicator** | **WGE Gender Diversity Indicators**  | **Recommended answers** |
| Communication & Information  | 47 | Gender diversity strategies, objectives and targets are communicated publicly and to staff. | Yes/No |
| Communication & Information  | 48 | Mechanism for staff to provide input to and feedback on gender diversity initiative. | Yes/No |