



# DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS — OFFICE FOR WOMEN

REVIEW OF THE EQUAL
OPPORTUNITY FOR WOMEN IN
THE WORKPLACE ACT 1999

**ACCI SUBMISSION** 

**OCTOBER 2009** 





Page - i

# **ACCI - LEADING AUSTRALIAN BUSINESS**

ACCI has been the peak council of Australian business associations for 105 years and traces its heritage back to Australia's first chamber of commerce in 1826.

Our motto is "Leading Australian Business."

We are also the ongoing amalgamation of the nation's leading federal business organisations - Australian Chamber of Commerce, the Associated Chamber of Manufactures of Australia, the Australian Council of Employers Federations and the Confederation of Australian Industry.

Membership of ACCI is made up of the State and Territory Chambers of Commerce and Industry together with the major national industry associations.

Through our membership, ACCI represents over 350,000 businesses nationwide, including over 280,000 enterprises employing less than 20 people, over 55,000 enterprises employing between 20-100 people and the top 100 companies.

Our employer network employs over 4 million people which makes ACCI the largest and most representative business organisation in Australia.

#### **Our Activities**

ACCI takes a leading role in representing the views of Australian business to Government.

Our objective is to ensure that the voice of Australian businesses is heard, whether they are one of the top 100 Australian companies or a small sole trader.

Our specific activities include:

- Representation and advocacy to Governments, parliaments, tribunals and policy makers both domestically and internationally.
- Business representation on a range of statutory and business boards, committees and other fora.



- Representing business in national and international fora including Fair Work Australia, Australian Industrial Relations Commission, Safe Work Australia, International Labour Organisation, International Organisation of Employers, International Chamber of Commerce, the Business and Industry Advisory Committee to the Organisation for Economic Cooperation and Development, the Confederation of Asia-Pacific Chambers of Commerce and Industry and the Confederation of Asia-Pacific Employers.
- Research and policy development on issues concerning Australian business.
- The publication of leading business surveys and other information products.
- Providing forums for collective discussion amongst businesses on matters of law and policy affecting commerce and industry.

#### **Publications**

A range of publications are available from ACCI, with details of our activities and policies including:

- The ACCI Policy Review; a analysis of major policy issues affecting the Australian economy and business.
- Issue papers commenting on business' views of contemporary policy issues.
- Policies of the Australian Chamber of Commerce and Industry the annual bound compendium of ACCI's policy platforms.
- The Westpac-ACCI Survey of Industrial Trends the longest, continuous running private sector survey in Australia. A leading barometer of economic activity and the most important survey of manufacturing industry in Australia.
- The ACCI Survey of Investor Confidence which gives an analysis of the direction of investment by business in Australia.
- The Commonwealth-ACCI Business Expectations Survey which aggregates individual surveys by ACCI member organisations and covers firms of all sizes in all States and Territories.



- The ACCI Small Business Survey which is a survey of small business derived from the Business Expectations Survey data.
- Workplace relations reports and discussion papers, including the ACCI Modern Workplace: Modern Future 2002-2010 Policy Blueprint and the Functioning Federalism and the Case for a National Workplace Relations System and The Economic Case for Workplace Relations Reform Position Papers.
- Occupational health and safety guides and updates, including the National OHS Strategy and the Modern Workplace: Safer Workplace Policy Blueprint.
- Trade reports and discussion papers including the Riding the Chinese Dragon: Opportunities and Challenges for Australia and the World Position Paper.
- Education and training reports and discussion papers including ACCI's Skills for a Nation 2007-2017 Blueprint.
- The ACCI Annual Report providing a summary of major activities and achievements for the previous year.
- The ACCI Taxation Reform Blueprint: A Strategy for the Australian Taxation System 2004–2014.
- The ACCI Manufacturing Sector Position Paper: The Future of Australia's Manufacturing Sector: A Blueprint for Success.

Most of this information, as well as ACCI media releases, parliamentary submissions and reports, is available on our website – www.acci.asn.au.





# TABLE OF CONTENTS

INTRODUCTION	1
CURRENT FRAMEWORK	6
REVIEW OF THE EXISTING ACT	29
CONCLUSION	40
ATTACHMENT A – GOVERNMENT MODEL IFA CLAUSE	43
ATTACHMENT B – UNION MODEL IFA CLAUSE	44
ATTACHMENT C – GOVERNMENT POLICIES	45
ACCI MEMBERS	51





# INTRODUCTION

- 1. ACCI welcomes the opportunity to provide a submission on a review of the *Equal Opportunity for Women in the Workplace Act 1999* (the Act), and the Equal Opportunity for Women in the Workplace Agency (the Agency).
- 2. We note that the review also coincides with:
  - a. The 25th anniversary of the Sex Discrimination Act 1984 (SDA);
  - b. The recent announcement by the Government of the introduction of a national paid parental leave scheme which exceeds many other developed nations' schemes and standards set by ILO conventions;
  - c. The accession to the Optional Protocol to the United Nations Convention on the Elimination of Discrimination Against Women;
  - d. The recent report into human rights issues across Australia, by the National Human Rights Consultation Committee;
  - e. The most recent report by the United Nations which ranks Australia 2<sup>nd</sup> out of 182 countries on the United Nations *Human Development Index*.
  - f. The recent announcement of Australia's first female Nobel laureate, Elizabeth Blackburn, amongst a record of five women honoured by the Nobel committees for 2009.
- 3. Since the time of the last review in 1999, Australian society and Australian workplaces have undergone continued change. ACCI summarised this changing environment in its submission to the Senate Standing Committee for Legal and Constitutional Affairs inquiry into the SDA as follows<sup>1</sup>:

[i]n particular, human resource practices and workplace attitudes have changed, reflecting both the changing legal environment that employers operate in, and broader social changes. Most employers have now put in place practices and systems which are designed to proactively address and minimise the risk of discrimination or harassment occurring in the workplace. Most managers and proprietors make their best efforts to manage in a non-

<sup>&</sup>lt;sup>1</sup> ACCI Submission to Senate Standing Committee on Legal and Constitutional Affairs, Inquiry into the effectiveness of the Commonwealth Sex Discrimination Act 1984 (August 2008) < <a href="http://www.acci.asn.au/text\_files/submissions/2008/(2008-08-01)%20Senate%20Com%20-%20SDA%20Ing%20-%20Final3%20+%20Cover.pdf">http://www.acci.asn.au/text\_files/submissions/2008/(2008-08-01)%20Senate%20Com%20-%20SDA%20Ing%20-%20Final3%20+%20Cover.pdf</a> >



discriminatory way that reflects contemporary attitudes on equality of treatment.

The underlying objectives and assumptions of anti-discrimination law – that people deserve equal treatment in employment – particularly when it comes to gender or family responsibilities – enjoy broad community support. Associated with this, Australia now has a broad framework of laws, at the Federal and State/Territory level that support these objectives.

There are also agencies and institutional structures whose role is to support these objectives through advice, research and education. One example of this is the Equal Opportunity for Women in the Workplace Agency, which through its EOWA Employer of Choice for Women list, recognises best practice in diversity management (with a focus on gender).

## PERSPECTIVES ON EQUALITY

- 4. On the 20<sup>th</sup> anniversary of the SDA, ACCI published an employer perspective on how the SDA was functioning and how it may be improved.<sup>2</sup>
- 5. Those perspectives remain highly apposite today. In that publication, ACCI identified broad areas of concern with the operation of anti-discrimination laws for employers, and recommendations for improving that legal framework.
- 6. In relation to discrimination law, ACCI stated:

In a broad sense employers accept the general principle of equal opportunity which underpins discrimination law. Discrimination law must, however, necessarily be qualified. It should represent a balance of interests, and operates most efficiently when it is targeted to specific conduct rather than imposing far-reaching or unspecified duties. The particular circumstances of smaller and medium-sized businesses need to be taken into account in framing and implementing the law.

In particular, employers lose confidence in discrimination law if it goes beyond boundaries of common sense or is unbalanced in content or enforcement. Employers accept their role as part of the community and acknowledge that their workplaces need to reflect general norms operating in the community at large.

Conversely, employers resist their workplaces being used to engineer social attitudes or to experiment with policy that is ahead of community attitudes.

Nor should employer acknowledgement of equal opportunity be a basis for the headlong pursuit of regulation. Indeed, intervention by governments in

<sup>&</sup>lt;sup>2</sup><http://www.acci.asn.au/text\_files/issues\_papers/Discrimination/Sex%20Discrimination%20Act%20\_November%202004\_.pdf>



the absence of a clearly demonstrated need can hinder rather than foster effective and fair employment policy and practice.

All regulation should be regularly reviewed. Ideally, the ultimate policy objective should be for regulation such as the SDA to become unnecessary, or at least to be modified, once community and workplace practice is overwhelmingly in compliance with the mischief that the regulation was intended to cure.

Moreover, if it is demonstrated that the regulation is failing to cure the mischief, if the costs outweigh the public benefits, or if there emerge better alternatives to maintaining a regulatory approach, then legislation should be substituted with different approaches.

- 7. The paper also emphasised that an overall approach which encourages cultural change and prevention, rather than remedies enforced by regulation after the fact, is preferable and most effective.
- 8. For fullness, ACCI's *Modern Workplace: Modern Future* workplace relations blueprint also provides some broad principles for equality in the workplace, namely:
  - a. Employers should be able to readily identify their obligations.
  - b. Employers should be protected from double jeopardy.
  - c. The concept of indirect discrimination can create uncertainty in some employment contexts.
  - d. Anti-discrimination law should not be utilised to impede legitimate business decisions.
  - e. There should be a greater emphasis on education, promotion and problem solving in discrimination policy.

#### **KEY PROPOSITIONS**

- 9. Whilst ACCI will address detailed propositions outlined in the Office for Women's issues paper, in considering what, if any, changes may be warranted to the Act, industry expresses the following views:
  - a. ACCI welcomes the opportunity for a contemporary assessment of the Act, and its contribution to equality outcomes, within a broader policy framework.
  - b. While most employers have successfully implemented various equality measures, including in the areas of anti-discrimination, anti-harassment, promotion of women and family friendly



initiatives, often on a voluntary basis, this has not been done without imposing significant costs and challenges for employers and employees.

- c. It must be acknowledged that in addition to the Act, employers are also subject to multiple and sometimes overlapping regulation that seek to address various dimensions to equity issues. Some of these laws include: anti-discrimination obligations at the State/Territory and Federal level, workplace relations/industrial relations laws (which also includes a new anti-discrimination laws, as well as new rights in the form of National Employment Standards) and OH&S/workers compensation laws.
- d. Whilst employers generally support initiatives to harmonise or simplify existing laws applying to employers, the content as opposed to the form they take, and the extent of the obligations they impose on employers, will be more relevant to business.
- e. Criticism of existing or proposed regulation should not be taken to be an indication that employers do not support principles of equality, anti-discrimination in the workplace, or voluntary initiatives.
- f. Additional resources for business, particularly smaller firms, by way of advice, education and industry specific assistance will ultimately enhance equal opportunities for both men and women, and arguably, have the potential to produce better outcomes than regulatory measures.

## **ABOUT THIS SUBMISSIONS**

- 10. This submission should be considered in conjunction with comments made by ACCI during an interview with officials from KPMG on Tuesday 29 September 2009 in Melbourne.<sup>3</sup>
- 11. The submissions are made without prejudice to ACCI members' views and ACCI's further consideration of the matters in the future.
- 12. This submission does not attempt to address all issues raised in the Office for Women's issues paper, but seeks to provide a broad based employer submission in response to the themes raised by the terms of reference.

<sup>&</sup>lt;sup>3</sup> To avoid doubt, and where there is any apparent inconsistency, this written submission shall prevail.





# **CURRENT FRAMEWORK**

- 13. The role of the Act and Agency must been seen within the context of an overall policy framework which currently seeks to address discrimination and equality issues. The inquiry should recognise Australia, by world standards, as a legitimate leader in its own right in addressing issues of inequality, discrimination and human rights.
- 14. Extensive regulation exists at the Commonwealth, State and Territory levels addressing equity issues. This does not exist in isolation from what industry and workers voluntarily agree upon in the workplace.
- 15. Regulation is but one of a number of policy levers that Government has at its disposal.
- 16. Other levers include incentives for employers, programmes, grants, best practice educational material, awards that recognise Employers of Choice. Other important levers include funding measures that address female participation in the workforce (ie. child care, maternity services, tax and benefits system etc).
- 17. <u>Attachment C</u> provides a summary of the Government's policy commitments, contained in the 2007 document *Fresh ideas for Work and Family*. Many of these policies have already been implemented.
- 18. ACCI believes that the following themes must be considered before calling for further reform in this area:

### Culture

- 19. Australian firms recognise that in order to attract talent and skilled workers, in a competitive domestic and global marketplace, they must promote equal opportunity in their workplace. Attitudes by those in the community, which maintained a traditional view of the male as the sole breadwinner, have well and truly been relegated to the past.
- 20. Despite the continued shift in attitudes by employers, it is nonetheless important that policy makers recognise that inherent biases are often difficult to remove completely, even with extensive regulatory measures.



- 21. Firms have voluntarily focused their efforts significantly over the last decade on eliminating structural and cultural biases with respect to discrimination, equal pay, and creating more flexible workplaces.
- 22. This is reflected in both formal enterprise agreements (both collective and individual) and informal arrangements (ie. policies, practices etc) providing creative and innovative flexible arrangements to accommodate employees' needs. Since the last review, many workplaces have through agreements or policies, successfully implemented initiatives such as paid parental leave, extra leave (in addition to statutory rights of annual/personal/carer's leave), or flexibility with leave (ie. cashing out part of annual leave or taking double at half-pay). Such flexibilities have been implemented through direct collaboration between employers and employees.
- 23. Whilst it remains difficult to attribute particular policies as having positive role in the workplace, it appears that a mix of hard (regulation) and soft (education) policy have promoted this continued shift in cultural attitudes.
- 24. ACCI strongly believes that it is through sustained education, assistance and promotion that this can continue in the future.

# Regulation

- 25. Business is currently subject to a multitude of laws governing antidiscrimination, sexual harassment, hours of work, and flexible work requests. These laws are comprehensive in coverage (one would say there is now a case for rationalisation of some laws), and span federal and state/territory jurisdictions. This is a real regulatory and compliance issue for employers, in seeking to comply with multiple jurisdictions and sometimes conflicting duties which may lead employers into double-jeopardy (ie. OHS or anti-sexual harassment measures vs unfair dismissal).
- 26. It must be recognised that regulation and extra rules do not, in and of itself, guarantee equality and positive equity outcomes. Attitudes of the community, workers and employers, the extent of collaboration and trust between employers and workers, ultimately drive such outcomes.



- 27. Poorly executed policies implemented without thorough industry input, can have a perverse effect on equality outcomes.
- 28. ACCI believes that, as with any other public policy area, the Government should consider all other policy instruments at its disposal, apart from legislation, including<sup>4</sup>:
  - a. *Advocacy* education or persuading, using information available to Government.
  - b. *Network* cultivating and leveraging relationships within and across Government and with external partnership bodies to develop and implement desired goals and behaviours.
  - c. *Money* using spending and taxing power to shape activity.
  - d. *Government action –* delivering services through public agencies.
- 29. Moreover, it is important that the inquiry focus not only on flexibility for employees of one gender or who have caring responsibilities, but on workplace flexibility in general. This is not limited to employees of sex or who possess certain attributes.
- 30. Business continues to support flexible labour arrangements which can appropriately and properly take into account the particular needs of both the employer and individual employees. It will be important to monitor how the Government's new workplace relations system will impact upon flexibility in the workplace over time. ACCI will further outline in this submission one aspect of the new system that may restrict female employees' abilities to agree with their employer on accommodating particular arrangements.

## **Unintended Consequences**

- 31. Whilst family friendly and pro-equity initiatives do have broad employer support, unintended consequences can arise where there is a disproportionate policy or regulatory push in one direction at the expense of others.
- 32. To take one example reported by firms to ACCI members. Younger workers or workers without young children often *perceive* that they are

<sup>&</sup>lt;sup>4</sup> Fourth Edition, *The Australian Policy Handbook*, 2007, Althaus, C, Bridgman P & Davis G.



- either (a) not treated equally as their colleagues who have dependents or caring responsibilities or (b) feel that some of their colleagues with such responsibilities are given "privileges" or (c) feel they are under pressure to make up for any lost time or productivity because of their colleague's working arrangements.
- 33. Employees without the above responsibilities often query why their colleagues are entitled to leave early on certain days of the week, start work later, and not engage in frequent overnight travel. It can also be difficult for managers in some workplaces to manage requests by staff which may impact upon the workload of other staff.
- 34. This may lead to underlying hostility, feelings of resentment and general tension in the workplace.
- 35. Policy makers need to ensure they consider unintended consequences and maintain an appropriate balance, not only between employers and employees, but equally, amongst employees.

# Regulation Must Meet Best Practice Standards

- 36. As stated above, regulation is one of many policy levers that can be utilised by the Government to address equity issues. For reasons outlined further in this submission, ACCI does not believe that further regulation is necessary in this area. In any event, any new proposals for further regulation should adhere to businesses expectations concerning best practice.
- 37. In a recent Productivity Commission (PC) research report, titled, Annual Review of Regulatory Burdens on Business: Social and Economic Infrastructure Services,5 the PC outlines at chapter 9 the importance of any regulation accompanied by a detailed Regulation Impact Statement (RIS) which is required for regulation "that are likely to have a significant impact on business and individuals or the economy".
- 38. In summary, the RIS should:
  - Identify the problem the regulation seeks to address. a.
  - Outline the objectives of government action. b.

<sup>5</sup> www.pc.gov.au



- c. Assess the impact impacts of a range of feasible options for address the problem.
- d. Document community consultations.
- e. Propose a recommended options and outlines implementation and review mechanisms.
- 39. It is also important that regulation does not have unintended consequences on business or the wider community. ACCI supports targeted, balanced and well implemented regulation which industry has had a sufficient opportunity to provide comment and input.
- 40. It is essential that the current obligation or future proposals are considered through the prism of the above principles. Industry expects to be consulted if the inquiry leads to further regulatory proposals in this area.

## **Increased Awareness**

- 41. Changes in the community and workplace can also be attributable to the significant increase in the awareness of equity issues. These initiatives do receive broad support from the business community. Recent international and domestic examples include the following:
  - a. The United Nation's recent resolution to establish a single agency to "promote the rights and well-being of women worldwide and to work towards gender equality" <sup>6</sup> and the ILO's mandate on promoting gender equality.
  - b. Numerous reflective and commemorative days, including International Women's Day (United Nations Day for Women's Rights and International Peace), White Ribbon Day (International Day for the Elimination of Violence Against Women), and Equal Pay Day.
  - c. Increased awareness concerning special sub-groups, including indigenous, regional, migrant and older women and particular campaigns, (such as the *National Plan to Reduce Violence Against Women and their Children*, *National Rural Women's Summit.*)

<sup>&</sup>lt;sup>6</sup> http://www.un.org/apps/news/story.asp?NewsID=32066&Cr=women&Cr1=



- d. Government programs, such as the Victorian *Ways2Work<sup>7</sup>* toolkit to promote work and family issues, and the Commonwealth's *Fresh Ideas for Work and Family* grants program and *Flexibility Works* website.
- e. Awards for achievement or recognition, such as the federal National Work-Life Balance Awards (formerly known as the ACCI/BCA Work & Family Awards), the EOWA Employer of Choice for Women, Diversity@Work Awards and the recently announced Victorian Government Fair and Flexible Employers Awards.
- f. Training courses offered by Chambers and Industry Associations for employees (managers/supervisors) and employers in the areas of discrimination, equity and Corporate and Social Responsibility.<sup>8</sup>
- g. Free information sessions by Government and/or Industry, such the launch by ACCI and the Australian Human Rights Commission of the *Effectively Preventing And Responding to Sexual Harassment A Code of Practice For Employers* 2008 Edition.<sup>9</sup>
- h. Increased awareness of equity issues through Parliamentary inquiries at the federal and State/Territory levels (ie. inquiry into pay equity, the SDA, and this Act).

## **COMPREHENSIVE REGULATIONS EXIST**

- 42. ACCI considers that the Act, which sits within a broader framework of detailed and prescriptive regulation, provides comprehensive coverage of equity issues in Australia.
- 43. Therefore, ACCI believes that further regulation is not warranted and could, indeed, be potentially damaging to equity outcomes if it has the undesired effect of limiting the employment opportunities of females. Any further regulation in this area that may jeopardise employment opportunities of any Australian workers, be they female or male, or from a particular cohort of society, is not supported.

<sup>&</sup>lt;sup>7</sup> http://ways2work.business.vic.gov.au/employers

<sup>8</sup> See for example, training in the areas equal opportunity by ACCI member VECCI here: http://www.vecci.org.au/Training/Pages/Equal Opportunity aspx

http://www.vecci.org.au/Training/Pages/Equal Opportunity.aspx

http://www.acci.asn.au/text\_files/speeches\_transcripts/2008\_Speeches/Nov/LAUNCH%20OF%20T
HE%20AUSTRALIAN%20HUMAN%20RIGHTS%20COMMISSION%20(AHRC).pdf



44. An audit of the major pieces of regulation directly impacting upon employers' obligations in this area is provided below. It illustrates the comprehensive nature of regulation in Australia.

## **Discrimination & Equality**

- 45. At the federal level, there is a comprehensive range of laws focusing on anti-discriminatory conduct, including:
  - a. Racial Discrimination Act 1975 (RDA)
  - b. Sex Discrimination Act 1984 (SDA)
  - c. Australian Human Rights Commission Act 1986 (AHRCA)<sup>10</sup>
  - d. Disability Discrimination Act 1992 (DDA).
- 46. In addition, every State and Territory now has omnibus legislation prohibiting discrimination on a variety of attributes, including prohibitions on sexual harassment.<sup>11</sup>

## **Workplace Relations**

- 47. Significant change with respect to the industrial relation's landscape was implemented on 1 July with the commencement of the Government's *Fair Work Act* 2009 (FW Act). Many aspects of the new laws will impact on women in the workplace and their employers and need to be considered as part of the overall framework of addressing EEO issues.
- 48. Whilst many of the new provisions have commenced, many are yet to be tested in the new tribunal, Fair Work Australia (FWA), or the Courts. Some provisions, such as the National Employment Standard, will commence on 1 January 2010.
- 49. The following is a summary of a number of provisions that the Government has asserted will assist or promote EEO outcomes.

# National Employment Standards

<sup>&</sup>lt;sup>10</sup> Formerly called the *Human Rights and Equal Opportunity Commission Act 1986* .

Anti-Discrimination Act 1977 (NSW); Equal Opportunity Act 1995 (Vic); Anti-Discrimination Act 1991 (Qld); Equal Opportunity Act 1984 (SA); Equal Opportunity Act 1984 (WA); Anti-Discrimination Act 1998 (Tas); Discrimination Act 1991 (ACT); Anti-Discrimination Act 1992 (NT).



- 50. The former Government's *WorkChoices* amendments, introduced from March 2006, for the firm time extensive national employment standards (that could not be contracted out of by any means), in the form of the *Australian Fair Pay and Conditions Standard*, and which operated for all employees (ie. from the clerk to the CEO). These standards included enhanced rights for personal/carer's leave, and the limiting of unreasonable additional hours a worker could be asked to perform.
- 51. Many of these rights have been retained by the Government, with new rights and capacities added, in the new National Employment Standards (NES), to commence on 1 January 2010.
- 52. A number of NES matters specifically attempt to address EEO matters as follows:
  - a. <u>Maximum Weekly Hours</u>: Employees who are full-time cannot be made to work more than 38 hours per week, unless those additional hours are deemed to be "reasonable". Factors to determine reasonableness, include the employee's personal circumstances, such as family responsibilities and risks to the employee's health and safety.
  - b. Requests for Flexible Work: Employees will have a right to request a change to working arrangements if they have responsibility for the care of a child under school age or a disabled child (under 18 years of age). An employer can only refuse such a request on reasonable business grounds. These new entitlements exist in conjunction with State/Territory laws that may offer more beneficial entitlements (ie. such as the Victorian Equal Opportunity Act right to request provisions).
  - c. Parental Leave: The NES introduces new entitlements for employees to request up to 24 months *unpaid* leave in relation to birth or adoption of a child (under 16). A female who has taken 12 months unpaid leave, has the ability to request an additional 12 months leave to continue to take care of the child. The other parent can also request up to 12 months unpaid parental leave, once their partner has used her 12 months in the preceding period. These are significant change to unpaid parental leave obligations and will present challenges to some employers.



d. Other Leave: Employees are entitled to 10 days paid personal/carer's leave, including 2 days unpaid carer leave or compassionate leave per occasion in relation to a member of the employee's household.

# Minimum Wages and Equal Pay Orders

- 53. Whilst ACCI will address in further detail issues concerning pay equity, under the Fair Work Act 2009 (Ch 2, Pt 2-7), Fair Work Australia (FWA) has the power to make for the first time, an equal remuneration order to ensure that there is equal remuneration for male and female workers, for work of equal or comparable value. The order may be applied for by the employee to whom it will apply, a representative employee organisation or the Sex Discrimination Commissioner. An equal remuneration order may increase rates of remuneration, but may not reduce them. It is worth noting that similar powers exist across State jurisdictions.<sup>12</sup>
- 54. In addition, FWA must also take into account such considerations when determining increases to minimum wage rates in modern awards and the national minimum wage order.

# "Low paid" Bargaining

The Government's new "low paid arbitration" scheme will enable 55. unions and employees to apply for orders to allow multi-employer bargaining in a particular "low-paid" sector or industry. The Government has indicated that such a scheme is targeted towards child care, cleaning and community services sectors, whom it considers are low paid areas of the economy and which are predominantly comprised of female workers.<sup>13</sup>

# Individual Flexibility Arrangements (IFAs)

56. The capacity for employees and employers to make individual statutory agreements will be removed in its entirety from 1 January 2010. Individuals will have limited capacity to enter into arrangements to vary the application of terms under industrial awards and collective

<sup>&</sup>lt;sup>12</sup> See for example, Industrial Relations Act 1999 (Qld), Fair Work Act 1994 (SA), Industrial Relations Act 1996 (NSW).

13 House of Representatives, Explanatory Memorandum to the Fair Work Bill 2008, p. 157.



- based enterprise agreements only through an Individual Flexibility Arrangement (IFAs).
- 57. However, there are already indications that the extent to which employees can utilise IFAs is being severely undermined through bargaining by some unions (see below).

# **Enterprise Agreements**

- 58. Agreements made under the FW Act cannot contain discriminatory terms (this was the case under previous legislation).
- 59. There is also power for FWA to review and vary agreements to remove content that offends the Sex Discrimination Act 1984.

## **General Protections**

- 60. From 1 July, under Part 3 of the FW Act, a new regime of antidiscriminatory measures commenced.<sup>14</sup> These new protections introduce a new form of protection, called "adverse action", as well as introduce anti-discrimination measures, based upon various known grounds/attributes (ie. sex, sexual preference, marital status, pregnancy, family or carer's responsibilities).
- These new provisions operate in conjunction with federal and 61. legislation, State/Territories anti-discrimination meaning employers must comply with all legislation with the ability of an employee to "forum shop" on which remedy they would like to pursue.
- The new measures are much more favourable to employees in 62. comparison to former provisions or other existing anti-discrimination laws:
  - There is a reverse onus of proof placed on the employer. In other a. words, the employer will have to prove why its conduct was not for a prohibited reason. There is also no dominant purpose test, so that it will be enough if one of the grounds was for a prohibited reason, whilst the other grounds were for nonproscribed reasons.

<sup>&</sup>lt;sup>14</sup> This is also in addition to unfair dismissal remedies available under the FW Act and State jurisdictions for non-federal system employers.



- b. There is no need for an employee to prove *direct* or *indirect* discrimination. They simply need to allege that there was "adverse action" based on a discriminatory reason.
- c. For the first time, the well resourced new inspectorate, the Fair Work Ombudsman, will be able to take action on behalf of an employee, whilst the employer will have to continue to fund and defend litigation in Court.
- d. The FW Act is generally a no-costs jurisdiction, meaning that a successful defendant cannot recoup their costs from the plaintiff employee. As such employees are likely to consider litigation as a much more attractive avenue to litigate their grievances, even if there are weak merits to the claim.
- e. There is no cap on compensation or damages that could be ordered by the Court, if an employee is successful in their claim. Other jurisdictions have caps on damages awarded.
- 63. Therefore, ACCI would argue that it would be difficult for anyone to argue that there is any apparent deficiency or gap of coverage requiring further regulation quite the opposite, employers have legitimately found that they now find themselves facing multiple and overlapping regulation, causing uncertainty in legal compliance.

## Institutional Framework

- 64. It is equally important to consider the institutional agencies that supplement, enforce and have a normative influence in promoting equity issues.
- 65. <u>Human Rights Agencies</u>: The Australian Human Rights Commission and specifically, the Sex Discrimination Commissioner is active in promoting issues of equality, discrimination and sexual harassment issues. ACCI supports the educative functions of the Commissioner, which provides assistance to employers in complying with relevant obligations under the SDA and AHRCA. This is in addition to the various State/Territory human rights/equal opportunity based bodies that provide similar education, advice and advocacy.



- 66. Fair Work Ombudsman: The Fair Work Ombudsman is the new Commonwealth workplace inspectorate established under the FW Act. It has the power to prosecute for breaches of the FW Act. The Ombudsman also provides information (in consultation with relevant stakeholders, including industry) to employers and employees on the operation of the Act. It also produces *Best Practice* educational material. Of relevance to this review, is the material on gender pay equity and work and family, which has had industry input. These materials are generally supported by industry on the basis that it provides guidance and tools for firms, particularly smaller firms, on workplace relations matters.
- 67. Special Interests: Organisations (such as trade unions, and Chambers and Industry Associations), academics, community based organisations, professional associations, and not-for-profit interest groups all have a role to play in promoting equal opportunity issues. This should be considered as part of the overall scheme of addressing equity outcomes, which can provide a strong catalyst for changing norms and behaviours in the community generally over and above regulation.
- 68. <u>International</u>: There are also international bodies that have been a positive force in promoting gender and equality issues. These include the ILO and its various organs, (ACCI Chief Executive, Mr Peter Anderson, represents the interests of Asia-Pacific employers on the Governing Body), as well as particular UN agencies, which not only provide awareness and promotion of equity issues, but also can investigate member state compliance.
- 69. Australia also makes vital contributions via its aid programs to promoting gender equality amongst developing nations.<sup>16</sup>
- 70. The OECD has established a special gender policy unit within the Secretariat, as well as creating "wiki gender" online tool, to provide a collaborative platform for the exchange of information on gender specific issues.
- 71. The Asia Pacific Economic Committee (APEC) established the Gender Focal Point Network (GFPN) which provides a mechanism to integrate

<sup>15</sup> http://www.fwo.gov.au/Best-Practice-Guides/Pages/default.aspx

http://www.ausaid.gov.au/keyaid/gender.cfm



gender considerations into APEC activities. It promotes issues that support gender equality where relevant to the APEC process.

## Paid Parental Leave Scheme

- 72. In conjunction with the changes made to the statutory unpaid parental leave entitlements, the Government has announced earlier this year that it would introduce a comprehensive and, by international comparisons, a generous paid parental leave scheme.
- 73. Employers participated in the Productivity Commission inquiry into paid parental leave, and supported a Government funded and administered scheme set at a standard equivalent to Australia's economic and societal level of at least 14 weeks. ACCI continues to support such measures.
- The Government's proposed scheme of up to 18 weeks payable at the 74. federal minimum wages to all working primary care givers, is more generous than New Zealand's recently implemented scheme of 14 weeks at a lower proportion of its minimum wage.<sup>17</sup>
- 75. According to the findings of the PC in its Paid Parental Leave: Support for Parents with Newborn Children final report, the fact that Australia does not have a formal "paid parental leave scheme" and is somehow an internationally deficient citizen (as suggested by many organisations), requires closer consideration:18

Many participants in this inquiry have observed that, along with the United States, Australia is conspicuous among developed countries in not offering a statutory paid parental leave scheme. Australia's near unique status is largely a semantic distinction. The non hypothecated baby bonus, a \$5000 instalment payment commencing at the birth of a child provides the equivalent of 14 weeks parental leave at \$357 (untaxed) per week or around two-thirds of the minimum wage. The baby bonus is buttressed by other family payments, so that overall, family subsidies in Australia are relatively generous by OECD standards (figure 2). These subsidies are diverse in nature, recognising the needs of different families. Income support measures particularly benefit those families where a parent leaves paid work to care for their baby, while child care subsidies are focused on parents in paid employment. (emphasis added).

<sup>17</sup> http://www.ird.govt.nz/yoursituation-ind/parents/parents-paid-parental-leave.html

http://www.pc.gov.au/ data/assets/pdf file/0005/86234/02-overview.pdf at xvi.



76. ACCI would submit, that similar criticism aimed by some proponents in this inquiry that Australia lags behind in equity terms, also needs to be considered closely and in the same context.

## **BARRIERS TO EQUAL OPPORTUNITY**

77. A recent report commissioned in 2007 titled, *Work-Life Balance in Australia in the New Millennium: Rhetoric Versus Reality*<sup>19</sup> indicated a number of findings. Relevant to this inquiry were the following:

The data reviewed in the report leave little doubt that:

- There is no "one size fits all solution" to the issue of work-life conflict, and
- Different policies, practices and strategies will be needed to reduce each of the four components of work–life conflict.

## What concrete things can employers do?

That being said, the report identifies three concrete things that employers can do to reduce work-life conflict:

- 1. Increase perceived flexibility
- 2. Increase the number of supportive managers within their organisation, and
- 3. Reduce workloads.
- 78. With respect to employer measures to increase "perceived flexibility", ACCI is concerned over recent developments under the Government's recently introduced enterprise bargaining system which may have introduced new structural impediments for guaranteeing flexibility in the workplace, particularly for female workers.
- 79. The Government's Fair Work Act 2009 commenced on 1 July 2009 and is based on its 2007 Forward with Fairness policies. Part of its policy on reforming workplace relations laws, was that employers and employees could retain flexibility over certain conditions of employment, through an Individual Flexibility Arrangement (IFAs). Such IFAs would be available for employees subject to both industrial awards and formal statutory collective-based enterprise agreements. This was supported by employers as the ability for employers and employees to enter into individual statutory agreements were repealed by the Government.
- 80. The Fair Work Ombudsman's *Best Practice Guides* outlines an example of what an IFA should achieve:

#### The benefits of an IFA

<sup>&</sup>lt;sup>19</sup> http://www.beaton.com.au/pdfs/BC\_WorkLifeBal\_fullReport.pdf



Dave is a full-time industrial chemist at Rosie Industries Pty Ltd. Dave's employment is covered by the Rosie Industries Pty Ltd Enterprise Agreement which includes a flexibility term allowing IFAs to be made about the hours an employee works within the Agreement's span of hours. Dave wants to coach his son's under 10s football training on Tuesday afternoons. Dave makes an IFA with his employer allowing him to start and finish work half an hour early on Tuesdays without the usual penalty rate that would apply for the first half hour. Dave is better off overall because he can attend his son's training, something he values as a significant non-financial benefit.

81. The above example is based on the Explanatory Memorandum to the Fair Work Bill 2008 as follows:

#### Illustrative example

Danae is employed full time as a graphic designer at Pax Designs Pty Ltd. The Pax Designs Pty Ltd Enterprise Agreement 2010 enables an individual flexibility arrangement to be made between the employer and its employees in relation to the span of ordinary hours to be worked.

Danae has school aged children that she wishes to pick up from school two days per week. She negotiates an individual flexibility arrangement with her employer that she will work longer hours three days per week, so that she can leave at 3pm on the other two days to pick up her children. Danae will still work the equivalent of full time hours.

82. Unfortunately, recent media has highlighted one major union's refusal to allow employers to rely on the Government's own model IFA clause, which is based on the decision by the Australian Industrial Relations Commission (now Fair Work Australia) in 2008 <sup>20</sup>:

## New workplace laws failing Julia Gillard's flexibility test<sup>21</sup>

THE Rudd government has suffered a setback in its push to allow individual workers to secure more flexible working conditions, after Campbell's Soup buckled to union opposition to Labor's new workplace flexibility clause.

In the first test of the flexibility of Labor's workplace laws, Campbell's dropped its bid to have its employees be able to strike individual flexible arrangements with the company, following a campaign by the left-wing Australian Manufacturing Workers Union.

Campbell's announced late yesterday it had reached an in-principle agreement with unions regarding a draft flexibility clause to be included in the enterprise agreement covering 150 workers at the company's Shepparton plant in central Victoria. However, Campbell's has agreed it would offer flexible working arrangements only to "discrete work teams" at the plant, and then only if the majority of employees in those teams supported the offer.

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<sup>&</sup>lt;sup>20</sup> http://www.airc.gov.au/awardmod/databases/general/decisions/2008aircfb550.htm

<sup>&</sup>lt;sup>21</sup> The Australian, September 17, 2009



Campbell's Soup spokeswoman Toni Jones admitted the company decided not to pursue the push to allow arrangements to be struck with individuals, due to the union opposition.

"It can't be done with an individual," Ms Jones said. "It has to get a majority ... from the work team in question. The union didn't want employees to have the right to agree to individual flexible arrangements even though the law states the individual must be better off overall."

Asked whether the company has acceded to the union push, she said: "We're seeing it as a win-win because it still gives us the scope we were looking for to explore potential flexibility in the workplace down the track."

AMWU Victorian secretary Steve Dargavel said the company has agreed to the union proposal, which avoided "undue discussions in relation to individual entitlements matters".

He said unions would be seeking to have the capacity for individual bargaining prohibited at other companies.

"We think that individual bargaining is something that's been a failed experiment in this country, particularly in the context of blue-collar workplaces," he said.

Under the Fair Work Act, a flexibility clause must be included in all new enterprise agreements. Workplace Relations Minister Julia Gillard committed to them last year after business concerns that the abolition of Australian Workplace Agreements would result in a loss of workplace flexibility.

Once the enterprise agreement has been approved, an employer or employee can decide they would like an "individual flexibility arrangement" and approach the other party. Workers employed under awards can only apply to vary working hours, overtime and penalty rates, allowances and leave loadings.

Workers under an enterprise agreement can make arrangements on matters specified in the enterprise agreement's flexibility term.

Employers assert that union opposition to the clauses was driven by ideology, not concern about pay and conditions being cut.

Mr Dargavel said the company had accepted the union's argument that the real productivity gains were "not to be had by pursuing these individual employment matters". He said he believed the agreement complied with the Fair Work Act.

Mr Dargavel said the union opposed the individual arrangement due to inequality in the relationship between the employer and the employee.

He insisted the agreement was a win for company and the workforce because it focused attention on real productivity issues.(emphasis added)

83. The Government's <u>model</u> IFA clause appears at the end of this submission (<u>Attachment A</u>). To compare the extent of conditions that can be subject to an IFA, ACCI has also attached a recent example of a union endorsed model IFA clause to be pursued in various workplaces.



- 84. It is clear that the union's single issue clause will severely curtail the usefulness of the IFA for individual employees, contrary to the Government's intentions and the examples provided by the Fair Work Regulator. In this case, the union's clause will allow the taking of annual leave to be subject to an IFA (<u>Attachment B</u>). It is believed that other unions will pursue a similar strategy during its bargaining campaigns. This will preclude an employer and employee agreeing to the flexibility that is outlined in the explanatory memorandum and the Fair Work Ombudsman's *Best Practice Guide*.
- 85. Clearly this is a worrying sign for the system at this early stage, with workers unable to access flexible working arrangements as promised by the Government.
- 86. The unions claims are also contrary to the Australian Industrial Relations Commission's own reasoning for the creation of the IFA clause, which indicated as follows: <sup>22</sup>

[164] We deal first with some issues concerning the nature of agreements to be permitted by the model clause and some questions concerning collective arrangements. It is evident from the terms of cll. 10 and 11 of the request, which we have set out above, that the clause should provide for agreements between an employer and an individual employee. It is not intended that the clause should deal with collective agreements such as those with a majority of employees. The use of terms such as "individual employee" and "individual needs" and "the individual employee" leave no room for doubt on the issue. For this reason the model clause should not provide for agreements between an employer and a majority of employees. Nor should the ability of an employer and an individual employee to make an agreement under the clause be in any way conditional on an agreement with a majority of employees in the area concerned. (emphasis added)

- 87. It conclusion, it appears that if there is a growing and co-ordinated union strategy to limit the full suite of employment conditions that can be subject to flexibility, contrary to the model clause established by the AIRC and adopted by Government. ACCI fears that the following will become more systemic:
  - a. Where certain unionised sectors of the workforce are predominantly male, women will not be able to enter into flexibility arrangements to deal with a fuller suite of working conditions.

<sup>&</sup>lt;sup>22</sup> http://www.airc.gov.au/awardmod/databases/general/decisions/2008aircfb550.htm#mafc



- b. Where an enterprise agreement provides for "majority" determination of various issues, women who may be part of the minority may be disenfranchised and unable to access those conditions (ie. move the span of ordinary hours).
- 88. This issue will be monitored by employers, and should female workers (or any other cohort of employees) be unfairly disenfranchised by coordinated union attempts to limit flexibility, the Government should consider amendments to its legislation to ensure that its own policy is not jeopardised by ideologically driven pushback.

## **GENDER PAY GAP**

- 89. In anticipation of other submitters commenting on this issue, it is worth noting the following issues when considering any gender pay issues.
- 90. There are multiple factors involved with the gender pay gap, including historical, structural and compositional reasons why there are differences in pay outcomes for men and women, both domestically and internationally.
- 91. Considerable gains have been made in both making the Australian workforce more gender representative and more equitable in terms of remuneration. This has occurred, indeed accelerated, under a bargaining based rather than centralised system, contrary to various predictions.
- 92. Pay equity in Australia is being progressed, through areas such as:
  - a. Education and training policies which allow more young women to access the range of careers and opportunities which yield comparatively higher pay.
  - b. Settings which allow for parents to remain engaged in the workforce and which minimise career disruption.
  - c. Anti-discrimination laws.
  - d. Promotion of diversity and opportunity by organisations such as AHRC and EOWA.



- In November 2005, ACCI took stock of various outcomes for Australian 93. for Australian women. This data stock take<sup>23</sup> showed:
  - Unemployment for Australian women at record lows<sup>24</sup> at the same time as record high female participation.<sup>25</sup>
  - Higher employment growth for women than men.<sup>26</sup> b.
  - More mothers in work than ever before and a continued increase C. across periods of labour market reform.<sup>27</sup>
- It must also be noted that this is not an issue specific to Australia or 94. amongst OECD nations. ACCI noted in 2005 that:

No country has 'solved' the gender pay gap between male and female earnings (and it is far from clear what this might actually mean). Across a range of regulatory models, award systems, collective bargaining systems and more or less regulated systems, gaps between male and female earnings persist. Gender pay disparity is also persistent across national systems at various stages of economic and social development.<sup>28</sup>

As this inquiry is aware, a House of Representatives Committee is 95. currently inquiring into pay equity. ACCI has participated in that inquiry by providing a detailed written submission.<sup>29</sup> ACCI does not consider this inquiry as another opportunity to debate the issue which appears to be dealt with by other inquiries and other measures already implemented (ie. equal pay orders).

## **Other Measurements**

96. Other indicators should also be considered when considering how women compare in the workplace and the wider community, other than factors such as pay levels. For example, the Australian Unity Wellbeing Index, which has been conducted since 2001, provides a contemporary analysis of personal wellbeing. It also illustrates how

<sup>&</sup>lt;sup>23</sup> ACCI (2005) Position Paper – Workplace Reform – Working For Australian Women.

<sup>&</sup>lt;sup>24</sup> ACCI (2005) Position Paper – Workplace Reform – Working For Australian Women, p.13

<sup>&</sup>lt;sup>25</sup> ACCI (2005) Position Paper – Workplace Reform – Working For Australian Women, p.14

<sup>&</sup>lt;sup>26</sup> ACCI (2005) Position Paper – Workplace Reform – Working For Australian Women, p.13

ACCI (2005) Position Paper – *Workplace Reform – Working For Australian Women*, p.13

ACCI (2005) Position Paper – *Workplace Reform – Working For Australian Women*, p.15

http://www.aph.gov.au/House/committee/ewr/payequity/subs/sub84.pdf



multiple variables can affect an individual's wellbeing. According to recent survey data<sup>30</sup>:

- a. Females generally have higher levels of personal wellbeing than males.
- b. The National Wellbeing Index remains at a high level for both genders.
- c. Female wellbeing does not significantly differ between full-time employed and full-time home care (0.8 points). Male wellbeing is higher for full-time employment than full-time home care (+3.2 points).
- d. Relative to gender-specific norms, full-time employment favours the wellbeing of males slightly more than females.
- e. People who are unemployed have lower than normal wellbeing for all domains except safety.
- f. Unemployment has a devastating effect on personal wellbeing beyond 25 years of age.
- 97. What is clear from the data over consistent years is that to gain a foothold into employment and to remain in employment is vital to personal wellbeing, regardless of age, gender or marital status.

## **International Context**

- 98. Whilst it can be easy for some organisations and individuals to identify deficiencies and inadequacies, it is important within the context of the terms of reference, that Australia's efforts in reducing inequality are considered amongst other comparable nations.
- 99. When all formal policy programs and informal/voluntary efforts in this area are considered, Australia can legitimately feel proud of being a world leader.
- 100. For example, the United Nations *Human Development Report* for 2009 ranked Australia in 2<sup>nd</sup> place (behind Norway) out of 182 countries.<sup>31</sup>

<sup>&</sup>lt;sup>30</sup> Australian Unity Wellbeing Index, Survey 20, Report 20, October 2008. http://www.australianunity.com.au/au/info/pdf/Part\_A\_Report\_20.pdf



The main Human Development Index (HDI) provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult literacy and gross enrolment in education) and having a decent standard of living (measured by purchasing power parity, PPP, income).

- 101. Since 1980 Australia has trended up consistently each time the survey has been undertaken.
- 102. The Gender Empowerment Measure (GEM) reveals whether women take an active part in economic and political life. It tracks the share of seats in parliament held by women; of female legislators, senior officials and managers; and of female professional and technical workers- and the gender disparity in earned income, reflecting economic independence. Differing from the GDI (see below), the GEM exposes inequality in opportunities in selected areas.
- 103. Australia ranks 7<sup>th</sup> out of 109 countries in the GEM, with a value of 0.870.
- 104. In terms of Female Estimated Earned Income (PPP US\$), Australia ranks 13<sup>th</sup> compared to the other 173 countries with a PPP of \$28, 759.
- 105. The Gender-related Development Index (GDI), introduced in *Human Development Report* 1995, measures achievements in the same dimensions using the same indicators as the HDI but captures inequalities in achievement between women and men. Australia's GDI is 99.6% of its HDI value of 0.970. Whilst not as impressive as the GEM or overall HDI, it still ranks in the upper quartiles of the total distribution.
- 106. This is comparable to recent OECD data, which indicates<sup>32</sup>:
  - a. All OECD countries median wages for men are higher than those for women. The average difference is more than 15% and exceeds 20% in several countries.

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<sup>31</sup> http://hdrstats.undp.org/en/countries/country\_fact\_sheets/cty\_fs\_AUS.html

<sup>32</sup> http://www.oecd.org/document/55/0,3343,en 21571361 38039199 38168503 1 1 1 1,00.html



- b. Employment rates of women are below employment rates of men in all OECD countries. But nearly everywhere, the gap between male and female employment rates has been falling.
- c. Australia is higher than the overall OECD average when it comes to female employment.<sup>33</sup>
- d. The percentage of Australian women who feel an above average level of satisfaction with their lives is above the OECD average. Australia is only one of a handful of OECD nations which are record a "satisfaction gap" in favour of women.<sup>34</sup>
- e. The percentage women aged 25-64 with tertiary education is above the OECD average, which is an important indicator of women entering into skilled and professional employment roles post graduation.<sup>35</sup>
- 107. Australia was recently ranked 21 out of 130 countries on the World Economic Forum's third and most recent *Global Gender Gap Report*. Whilst some may argue that Australia should be number 1, it is important to recall the report's summary for Australia:<sup>36</sup>

New Zealand (5) and Australia (21) continue to perform well in the rankings. Both countries have fully closed the gap on the educational attainment subindex and both perform well on economic participation indicators.

Between 2007 and 2008, both countries show gains on economic participation, educational attainment and political empowerment.

108. Therefore, whilst Australia may not be the leading country in every international league of tables, it is important to appropriately acknowledge the good work achieved.

<sup>33</sup> http://www.oecd.org/dataoecd/45/38/37964088.pdf

http://www.oecd.org/dataoecd/46/2/37964668.pdf

<sup>35</sup> http://www.oecd.org/dataoecd/45/34/37963497.pdf

<sup>36</sup> http://www.weforum.org/pdf/gendergap/report2008.pdf





# REVIEW OF THE EXISTING ACT

- 109. ACCI supports the policy rationale underpinning the existing Act. We note the former shift in policy when the *Affirmative Action (Equal Employment Opportunity for Women) Act 1986*, which came into effect on 1 October 1986, was replaced by the existing Act.
- 110. Employers and employees support the objectives in s.2A of the Act, particularly s.2A (a) and (b), which states:

to promote the principle that employment for women should be dealt with on the basis of merit.

to foster workplace consultation between employers and employees on issues concerning equal opportunity for women in relation to employment.

111. Employers support the emphasis under the current Act being based upon the attainment of equal opportunities based on merit, rather than the filling of quotas or other affirmative action measures.

## Review Need for Separate Act

- 112. It is important that policy makers monitor the need for retaining separate legislation to deal with equal opportunity for women. Best practice regulation insists that regulation be continually reviewed to ensure that it remains relevant and is required to deliver its policy objectives.
- 113. Changes in the composition of the workforce, attitudes of employers, employees and the community, and nature of work, requires consideration of whether the legislation has substantially achieved its objects over time.
- 114. Whilst ACCI does not at this stage, advocate repealing the Act or functions of the Agency (subject to comments below on the current reporting obligations), there is a proper role for review of the existing arrangements over time to ensure that regulation remains necessary. If policy objectives are being achieved without the assistance of regulation, then there is merit in re-considering the ongoing need of regulation.



- 115. One should also not discount the labour market's self-regulating behaviour.
- 116. Firms realise that employees do their own due diligence before joining a firm to ensure that they have information and knowledge of a firm's overall culture and attitude towards equity issues.
- 117. Where an employee feels that a firm's rhetoric of being an Employer of Choice does not fit with workplace reality, they will clearly and ultimately express their concerns by moving on to another firm. Whilst this will not be possible for every person, firms cannot simply espouse values they cannot or do not deliver.

## **Education First**

- 118. ACCI believes that, whilst there is a significant degree of overlap between various Government agencies (ie. Fair Work Ombudsman, the Sex Discrimination Commissioner and the Agency), there are cogent reasons for not rolling over the functions of the Agency into either of those other bodies. At this stage, we consider the Agency as best placed to provide leadership on best practice EEO measures.
- 119. Firstly, employers would not voluntarily seek out advice or assistance with managing EEO issues in their workplace, if there is the threat that they would be then subject to prosecution by the Fair Work Ombudsman, or investigation/audit by the Sex Discrimination Commissioner. The independence of the Agency and its focus on education are important and should be enhanced.
- 120. Secondly, the expertise and promotion of EEO matters amongst private firms is better left within the domain of the existing Agency. To roll the functions into another body, who has a variety of functions and responsibilities, may be to dilute the pool of expertise at industry's expense. This is not to discount the value of collaborative initiatives between various agencies.

# Possible Transfer to Office for Women

121. However, ACCI would encourage consideration as to whether the Agency should be rolled into the Office for Women. The Office for Women is leading this review and appears to be well-placed to



continue the educational and research functions of the Agency. Page 13 of the issues paper outlines the key role of the office in terms of providing high level advice to the Minister for the Status of Women, as well as undertaking specialist research and promoting equity issues at the domestic and international level (such as the UN).

- 122. The Office would be able to liaise and co-ordinate its activities with other bodies, agencies and Departments, and would be able to take a whole-of-policy approach to equity issues.
- 123. Whilst the Government is best placed to consider funding issues associated with such a transfer, the objectives underpinning the current Act could be well served by such an initiative.

## Compliance

- 124. Whilst some may argue that the current sanctions are too soft, a firm's reputation is paramount in the business world and amongst the community. Particularly, as more employees are attracted to work for firms that identify themselves as Employers of Choice, the corporate embarrassment of being named by the Director of the Agency in a report to Federal Parliament should not be understated.
- 125. Should the penalties for non-compliance be increased without any cogent policy reasons, this may have the unintended consequence of more firms feeling they need to "tick boxes" and fill out paperwork, rather than taking a considered and conscious approach to implementing and monitoring measures to promote equal opportunities for women. At worst, it could have the undesired effect of limiting the employment opportunities for females.

# **Areas of Improvement**

- 126. Within the context of making improvements to the current scheme, ACCI makes the following recommendations (once again, to reiterate, this is without prejudice to ACCI members' views on such matters).
- 127. <u>Regulatory Burden</u>: the requirements for particular firms to report and to implement a workplace program are a source of administrative burden. The changes to industrial relations laws, including the capacity for employees to request changes to work, extended unpaid parental



leave - which must be responded to in writing by the employer within 21 days - in conjunction with other changes such as new employment standards and modern awards to operate from 1 January 2010, and the operation of "adverse action"/discrimination laws, cannot be considered in isolation. They come at a considerable cost to employers and are a significant new increase in the employers' overall regulatory burden.

- 128. Such costs and regulatory burdens come in the form of potential increase of litigation, training of staff, costs for pay-roll changes, direct costs of employment (ie. wage costs under modern awards of NES entitlements such as severance pay) on-costs (ie. increased payments for superannuation, workers compensation premiums and payroll tax) and overall changes/adjustments to existing working arrangements.
- 129. This must be borne in mind by those who agitate for employers to take on additional compliance obligations. It must also be understood that industry's views, and the views of employees, are not homogenous. Many employers (and employees) would oppose initiatives which could be perceived as Government shifting social obligations on employers, where this is not imposed more widely across the community.
- 130. Compliance and reporting obligations should be set at a level which ensures that firms, who may technically meet the definition of a reporting organisation, but who lack the tools and resources to implement programmes and monitor policies, are encouraged to put in place mechanisms that meets their operational and financial capacities.
- 131. Not all reporting firms that have 100 employees or more should be assumed to have sophisticated HR departments or dedicated EEO personnel. Nor should they be assumed to possess equal financial capacities or operational flexibility to implement certain policies. Policy makers should understand that one-size policies do not fit all firms. The current Act appears to recognise this by the level of the reporting obligations and corresponding sanctions.
- 132. However, ACCI members who have undertaken a survey of reporting and non-reporting firms have indicated that they are concerned about the compliance burden of the existing scheme, as well as the potential to extend obligations on non-reporting firms.



# 133. Some feedback by ACCI members indicates that:

- Whilst female participation has continually risen (compare this to a. relatively stable participation rates of males), there are some sectors of the economy that cannot attract female workers. There appears to be industries that have difficulties in attracting their workforce (ie. agricultural industries, women to construction, mining, transport and storage) and these employers have concerns about the obligations placed on them. No matter how much effort industries put into attracting females into certain occupations/sectors, this fact remains constant from year to year. The annual reporting/workplace plan obligations on a firm does very little to overcome this challenge.
- b. Some employers report that there are also cultural reasons why many women are not attracted to occupations within particular industries, and once again, it is difficult for employers to overcome this barrier.
- c. There is concern for the potential of further compliance obligations or extending of the scope of the current Act to rope in employers who are currently excluded, particularly smaller firms.
- d. Some employers have indicated that the existing level of compliance is already too high for the outcomes which it is purported to generate, and should be reviewed.
- e. Many organisations have indicated that they already have a steady and high level of female participation (90%) across all areas of their workforce, yet are required to expend considerable and cost reporting each year. This appears to be inefficient and does not produce additional benefits for the cost involved.
- f. Firms surveyed indicated that funding should be targeted towards initiatives to enhance female participation and address other related concerns.
- 134. The feedback appears to be consistent, regardless of employer size. Very large listed companies may continue to conduct annual reviews and implement workplace plans, as matter of course, if there are no



- statutory obligations, in order to fulfil their own Social Corporate Responsibility and equity goals. Voluntary measures are supported by industry and should continue to be supported by Government programs/initiatives.
- No lowering of the threshold: Industry does not support measures which would lower the reporting threshold or introduce new requirements on firms that currently are not subject to the Act. Smaller firms should continue to be treated different on the basis that they do not have the financial resources or capacities as those of larger firms. This is not to say that the Agency should not have a role in providing education and assistance to non-reporting firms.
- 136. However, any increased regulatory burden on smaller firms may have unintended consequences and may jeopardise the opportunity of women in the workplace, which is not something that employers or employees would support.
- 137. Consider phasing out current reporting obligations: ACCI would support consideration of phasing out the reporting and other compliance obligations on firms, based on the fact that there has been a profound cultural shift over the last decade and even more profound change since 1986. Given the feedback from employers, there appears to be little added benefit to increasing equity outcomes for many firms by retaining or building upon the current obligations under the Act. In lieu of reporting and developing workplace programs, the following should be considered and would generally be supported by industry:
  - a. Undertake more focused research and survey work (quantitative and qualitative). This could be conducted across a particular industry/sector, or with a cohort of firms. This would also provide similar information to the Agency as is achieved by the annual reports (and other existing data from the ABS and AHRC), but would remove a source of administrative burden for firms.
  - b. Using the information gathered, targeted information/education campaigns could be undertaken. This would focus on challenging areas of an industry/sector which may remain resilient to change.



- c. The Agency should work more closely with social partners, including Chambers and Industry Associations at promoting equity issues (see below).
- d. The Agency could still report to Parliament using the above data as relevant information to provide, and undertake policy. This would tie into the work of other agencies to promote a whole-of-policy approach to equity issues.
- 138. Consider easing reporting obligations: If the above primary recommendation is not accepted by this inquiry, based on feedback by ACCI members on the compliance burden of reporting obligations, ACCI recommends amendments that would extend the reporting period (ie. every two years instead of annually), and would allow greater flexibility for the Agency to waive compliance obligations (ie. for those firms that have constant female participation rates each year).
- 139. Consideration should also be given to tiering the reporting obligations based on firm size (which is a rough proxy for capacity of compliance burdens). For example, firms that have between 100 and 200 employees could report every two years or not at all, but rather undertake to promote equity policies (and be given guidance by the Agency on how to do this).
- 140. Education and Assistance: ACCI would support a range of measures which address equality issues on a longer term basis using an educational/preventative approach. Recognising there will probably always be a role for regulation for some equity aspects (such as unlawful discrimination and sexual harassment), such an approach, we believe, offers the best chance of having a lasting and ongoing societal impact (noting of course, that what society accepts at one stage is not necessarily acceptable at a later stage).
- 141. Employer organisations, such as Industry and Chamber Associations do have an important role to play in providing advice to employers on such issues. In light of ACCI members' expertise and established employer networks, the Agency should develop and foster relationships with these organisations, and consider:
  - a. Providing information for organisations to include in regular bulletins, circulars or magazines;



- b. Partnering with organisations to present information or hold forums on relevant and contemporary workplace issues;
- c. Providing funding to organisations to provide information or facilitating organisations to provide grants for initiatives.
- 142. Whilst Government agencies should continue to fulfil their role in public education programmes, consideration of programmes developed for primary and secondary levels, to teach future employees, employers and corporate citizens the values and expectations society places in this area, is also generally supported by industry.
- 143. As children are still developing their social norms and behaviours, this could lead to better outcomes in the long-term, rather than short-term legislative fixes that may include, additional regulation, harsher penalties and complex laws.
- 144. <u>More Support for Smaller Firms</u>: We reiterate that whilst industry does not support reporting obligations extended to smaller firms who already must cope with an array of regulation and red-tape, we do see a role for increased education for all firms (ie. non-reporting firms and reporting firms).
- 145. ACCI recommends that the Agency consider focusing on providing smaller firms, who do not have the resources, specialised HR personnel or time, with free information and tools on designing policies, implementing programmes or ideas for their workplace. This should be on a voluntary basis and will encourage smaller firms to continually refine, within their operational and budgetary constraints, their own arrangements. It also recognises that employers and employees are best placed to design and implement solutions that they build through collaboration.
- 146. The Commonwealth should also consider whether extra funding should be provided to the Agency (or any successor) to assist with this educational role, which, in conjunction with utilising business organisations, will enhance the Agency's reputation as a leading agency to assist firms in equal opportunity.



# **EXPANDING WOMEN'S OPPORTUNITIES ON CORPORATE BOARDS**

- 147. The lower participation level of women than men on corporate boards is an area requiring attention and careful response. While the number of women on boards of the top 200 public companies may not be increasing as had been hoped, there has been an increase in incorporation of businesses over the past decade.
- 148. The slow rate of participation of women in senior corporate directorships does not necessarily mean though that there are fewer women directors of companies. With the increase in incorporation, it is likely that the number of women as directors of private or unlisted companies has in turn increased. In part this would be because women are well represented as business owners and managers, especially in small business. It is many of these smaller businesses that have moved from unincorporated status to incorporated status.
- 149. The challenge of increasing women's representation on corporate boards does not lend itself to regulation or quotas. These are distortive mechanisms. They move away from the notion of merit. Merit based appointments at these levels of corporate governance are essential, especially given the significant duties that fall on directors once appointed. Quotas are the bluntest of blunt instruments, and over time are found to be unworkable and counterproductive.
- 150. The reason(s) for the relatively low female rate of participation on corporate boards are mixed, and difficult to identify with precision. Clearly indirect as well as direct factors, including custom and practice, may be at play. In many cases the 'labour market' for potential directors of major corporate boards is drawn from those that are already directors, and have established themselves as such. Further, the labour market is also drawn from persons with experience at senior management in major corporate. Given the lower rates of female participation at this (employed) level, it follows that this pool of potential candidates for board election is narrowed and skewed against women's participation.
- 151. One initative that ACCI recommends is to facilitate the identification (by senior management, board directors and chairmen of boards) of women who could be available or make themselves available for election to major corporate boards. Experienced business women who



are owners / managers of small and medium enterprises do not have a readily available mechanism to make their interest in senior corporate board appointments known. This is a potential waste of a talent pool of women who may have successfully operated a business and, say, 20 years later be interested in corporate service at a different and more senior level.

ACCI recommends that the Government jointly fund ACCI and the Agency to research and recommend a mechanism for the identification of talented small businesswomen for participation on corporate boards. The Chamber and industry association movement in Australian is well placed to partner the Agency in this work. Approximately 85% of businesses which join Chambers of Commerce and Industry and industry organisations are SMEs. Through the ACCI network, there is scope for ready access to talented and able women in small and medium businesses who could form part of a register of interest in senior corporate board appointments.





# CONCLUSION

## 153. Summary of recommendations:

- a. There should be consideration of whether the existing obligations are necessary to improve equity outcomes gained over the last decade. Alternative initiatives that align with the objectives under the Act, could be in the form of additional surveys, targeted and focused research and Agency reports on particular industries or cohorts of firms. This should be in addition to measures outlined in recommendation (e).
- b. If the current obligations are to continue, there should be further consideration as to how reporting obligations can be eased for reporting firms, particularly smaller firms.
- c. The current threshold for reporting obligations should not be lowered and industry does not support any extension of the existing obligations or the creation of new obligations.
- d. There should be consideration of rolling over the functions of the Agency into the Office of Women.
- e. The Agency (or its successor) should focus on providing education, advice and tools, to all firms, but give particular consideration to providing additional resources to non-reporting firms, including assisting firms to develop their own voluntary policies and initiatives in the workplace.
- f. Initiatives to facilitate the identification (by senior management, board directors and chairmen of boards) of women who could be available or make themselves available for election to major corporate boards.
- g. The Government jointly fund ACCI and the Agency to research and recommend a mechanism for the identification of talented small businesswomen for participation on corporate boards.
- h. There should be a review of how particular aspects of the Government's Fair Work industrial relations system in the form



- of IFAs are negatively impacting females' access to flexible working arrangements.
- 154. In conclusion, ACCI reiterates the value an educational/preventative approach to achieving a lasting and ongoing societal impact.





# ATTACHMENT A – GOVERNMENT MODEL IFA CLAUSE

# Schedule 2.2 Model flexibility term

(regulation 2.08)

## Model flexibility term

- (1) An employer and employee covered by this enterprise agreement may agree to make an individual flexibility arrangement to vary the effect of terms of the agreement if:
  - (a) the agreement deals with 1 or more of the following matters:
    - (i) arrangements about when work is performed;
    - (ii) overtime rates;
    - (iii) penalty rates;
    - (iv) allowances;
    - (v) leave loading; and
  - (b) the arrangement meets the genuine needs of the employer and employee in relation to 1 or more of the matters mentioned in paragraph (a); and
  - (c) the arrangement is genuinely agreed to by the employer and employee.
  - (2) The employer must ensure that the terms of the individual flexibility arrangement:
    - (a) are about permitted matters under section 172 of the Fair Work Act 2009; and
    - (b) are not unlawful terms under section 194 of the Fair Work Act 2009; and
    - (c) result in the employee being better off overall than the employee would be if no arrangement was made.
  - (3) The employer must ensure that the individual flexibility arrangement:
    - (a) is in writing; and
    - (b) includes the name of the employer and employee; and
    - (c) is signed by the employer and employee and if the employee is under 18 years of age, signed by a parent or guardian of the employee; and
    - (d) includes details of:
      - (i) the terms of the enterprise agreement that will be varied by the arrangement; and
      - (ii) how the arrangement will vary the effect of the terms; and
      - (iii) how the employee will be better off overall in relation to the terms and conditions of his or her employment as a result of the arrangement; and
    - (e) states the day on which the arrangement commences.
  - (4) The employer must give the employee a copy of the individual flexibility arrangement within 14 days after it is agreed to.
  - (5) The employer or employee may terminate the individual flexibility arrangement:
    - (a) by giving no more than 28 days written notice to the other party to the arrangement; or
    - (b) if the employer and employee agree in writing at any time.



# ATTACHMENT B - UNION MODEL IFA CLAUSE

#### **WORKPLACE FLEXIBILITY**

The employer and employee may agree to an individual flexibility arrangement ("arrangement") to vary the requirement in the Annual Leave term that up to a maximum of 10 single days of annual leave may be taken.

The arrangement may allow the employer and employee to increase the number of single day annual leave days which may be taken by the employee up to a maximum of 12 single days.

The arrangement must meet the genuine needs of the employer and the employee and be genuinely agreement to by the employer and the employee.

The employer must ensure that the arrangement:

Be about a permitted matter under the Fair Work Act if the arrangement were an enterprise agreement;

- Not include a term that would be an unlawful term under the Fair Work Act if the arrangement were an enterprise agreement; and
- For the avoidance of doubt, this sub-clause does not allow the arrangement to vary the effect of terms of this enterprise agreement other than the requirement in the Annual Leave term that up to a maximum of 10 single days of annual leave may be taken.

The employer must ensure that the arrangement result in the employee being better off overall than the employee would be if no arrangement were agreed to.

The employer must ensure that the arrangement:

- Is in writing
- Includes the name of the employer and the employee
- Is signed by the employer and employee and if the employer and employee is
- under 18 years of age, signed by a parent or guardian of the employee;
- Includes detail of:
  - The annual leave term that will be varied by the arrangement
  - How the arrangement will vary the effect of the annual leave term;
  - How the employee will be better off overall than the employee would be if no arrangement were agreed to; and
  - State the date on which the arrangement commences.

The employer must give the employee a copy of the arrangement within 14 days after it is agreed to.

The employer or employee may terminate the arrangement:

- By giving written notice of not more than 28 days; or
- If the employer and employee agree in writing at any time.



# ATTACHMENT C - GOVERNMENT POLICIES

## Fresh ideas for Work and Family (Government Policy, 2007)

## **Overview**

Only Federal Labor is committed to effective measures that will help all working parents balance their work and family responsibilities. Only a Rudd Labor Government will be committed to helping businesses manage their workforce to achieve greater participation and productivity.

Federal Labor's existing commitments in this area include:

- more flexible parental leave;
- flexible working arrangements for parents;
- a new Office of Work and Family;
- new child care centres; and
- reinvigorated National Work and Family Awards.

Federal Labor is also announcing new measures to support and assist those small businesses wanting to develop family friendly practices, including:

- small grants funding for small business to pursue family friendly measures;
- distribution of industry specific information in work and family practices; and
- making experts available to help small businesses develop new work and family arrangements in their workplace.

#### Parental leave

Under Federal Labor's industrial relations policy, Forward with Fairness, parental leave is included in Labor's 10 National Employment Standards that will apply to all employees. Under a Rudd Labor Government, it won't be possible to reduce or exclude these Standards in a workplace agreement.

Under Federal Labor's Parental Leave Standard, each parent will be entitled to separate periods of up to 12 months' unpaid parental leave to be taken in conjunction with the birth of their child. This will give families the choice of having a parent at home for the crucial first two years of a child's life.

Where a family would prefer one parent to take a longer period of leave, that parent will be entitled to request from their employer up to an additional 12 months' unpaid leave. The employer will be able to refuse an employee the additional leave in excess of 12 months on reasonable business grounds.

There will be no third party involved in determining whether the employer has reasonable business grounds for refusal of additional parental leave. The employer will only have to provide the reasons for refusal in writing.

The United Kingdom experience has shown that this approach has been extremely successful in meeting the needs of parents and businesses.



Under a Rudd Labor Government families will have more choice about how to best balance work and family life following the birth of a child.

## Flexible work for parents

Federal Labor's 10 National Employment Standards will also include a right for parents to request flexible work arrangements from their employer until their child reaches school age. Flexible work arrangements might include part-time work, non-standard start or finish times, working from home, working "split shifts" or job sharing.

Again, the employer will only be able to refuse such a request on reasonable business grounds.

Once again, there will be no third party involved in determining whether the employer has reasonable business grounds for refusal of flexible work arrangements. The employer will only have to provide the reasons for refusal in writing.

Once again, the UK experience has shown that this approach has been extremely successful in meeting the needs of parents and businesses.

## Office of Work and Family

Federal Labor will work to continuously improve policies that help to relieve the pressures on Australian working families as they juggle work and family responsibilities. This policy development will be driven by an Office of Work and Family that will be established within the Department of the Prime Minister and Cabinet.

The Office of Work and Family will be placed inside the Department of the Prime Minister and Cabinet to ensure that the formulation of policies to get the balance right between work and family life takes place at the highest level and is central to all Rudd Labor Government policy decisions.

One of the first tasks of the Office of Work and Family will be to work with child care providers and the states and territories to:

- provide parents with helpful information about local child care centres such as vacancies.
- their accreditation status and fees so parents are better informed about quality and price;
- develop a strong quality accreditation and ratings system, that drives quality improvement
- and informs parents about the standard of care, including any breaches of quality standards:
- ensure child care services provide parents with notice about proposed fee increases; and
- examine options to improve child care affordability, including increasing workplace-based child care so that parents can be closer to their children.



## New child care centres

Federal Labor is committed to developing up to 260 new child care centres on school sites and other community land to provide convenient child care places in areas where there are shortages. This will help to reduce waiting lists and contain the costs of child care.

Using school locations, where possible, is one way of assisting parents with the morning rush as they attempt the "double drop-off" of getting children to school and child care before the working day begins.

## National Work and Family Awards

A Rudd Labor Government will create incentives for businesses to make family-friendly changes in their workplace by supporting the further development of the existing National Work and Family Awards.

A Rudd Labor Government will expand the number of available awards by offering separate awards for the leaders in various industry sectors, such as retail, mining, hospitality, manufacturing and finance. This will help businesses to identify innovative arrangements and best practice for their industry sector.

Following each year's awards ceremony, a Rudd Labor Government will fund full page advertisements in the employment pages of major newspapers right across Australia. Those advertisements will list the winners of the awards and highlight their special achievements.

A Rudd Labor Government will also fund and support the development of a special symbol that can be used by winners in print and online job advertisements for a period of three years from winning the award. That symbol will assist businesses to attract skilled jobseekers as a result of the commitments they have made to assist its employees to achieve work-family balance.

As part of the National Work and Family Awards, Federal Labor will accredit all employers that obtain certain standards (as determined by the judging panel of the awards) in relation to the achievement of work-family balance.

Such accreditation would be available each year and, for that year, accredited employers would be able to use a special but different symbol in print and online job advertisements.

## Helping small businesses be family friendly

In addition to previously announced measures, a Rudd Labor Government will also provide targeted support to smaller businesses to pursue practices that help employees balance their family obligations, and that assist parents who return to work to better balance their career and caring responsibilities.

There is a need to provide targeted support to smaller businesses to pursue practices that help employees balance their family obligations because this leads to:

- better productivity as workers have reconciled their work and family obligations;
- better retention of workers resulting in lower costs for employers; and
- better workplace health and safety.

In the absence of these policies, national surveys of work life outcomes tell us that long, unsocial hours of work, a lack of quality part-time work and traditional leave arrangements make it difficult for both men and women to balance work and family life. According to demographer Graeme Hugo, women in their prime working age are taking on multiple roles, including paid and unpaid work, and voluntary work. He has recognised that the implications



of this are often serious, including health related issues arising from work load stress. Small businesses often lack the time and resources to pursue such measures even when their benefit can be readily identified.

To assist small businesses and families, a Rudd Labor Government will invest \$12 million in a national initiative that will:

- provide small grants to small businesses to pursue family friendly measures;
- distribute business and industry specific information and support work-based family friendly practices; and
- employ experts in each state and territory office of Federal Labor's Fair Work Australia
  offices to liaise with local small businesses, local government and business and
  community groups, providing a source of support, expertise and advice for small
  business and community organisations wanting to pursue family friendly arrangements
  in their workplace.

Part of this \$12 million commitment will include small grants, generally ranging from \$5,000 to \$15,000 for small businesses to implement innovative family friendly workplace programs or initiatives, including:

- getting assistance to draw up rosters based on school terms and alternative "core hours", for example, 10am to 3pm;
- developing workplace policies on unpaid leave for carers and workers who have children with a disability;
- providing facilities for employees with young children such as family rooms and lactation breaks: and
- workplace mentoring.

Federal Labor's program will begin in the 2008-09 financial year with the full program up and running from 1 January 2010.

Federal Labor understands that to maintain an economy with high levels of productivity and participation there must be support for parents to balance their caring responsibilities with their careers.

According to the ABS, women are the largest group of underemployed workers, either looking for a job or for more hours. The biggest barriers to women finding a job or the extra working hours they seek are their caring responsibilities.

Almost 50 per cent of women not in the labour force were prevented from seeking the job they wanted due to child care, pregnancy or other caring responsibilities. For parents and working women, this Rudd Labor Government initiative will also:

- help meet the needs of working families;
- provide for continuity of employment;
- ensure greater attachment to the workforce; and



- improve career opportunities due to longer term attachment to one firm/business. If Australia is to stay competitive and productive, more parents, carers and groups with special needs will need to participate in the labour market. Flexible working initiatives attract such employees.

According to the UK experience with promoting family friendly work practices, 68 per cent of employers believe that the opportunity to work flexibly has had a positive effect on employee attitudes and morale.

For small businesses and, in particular, those with fewer than 15 employees, this Rudd Labor Government initiative will:

- help them retain skilled workers;
- reduce the additional costs associated with high employee turnover;
- assist in attracting workers in a tight labour market; and
- maintain workforce motivation, which results in demonstrably higher level of productivity.

Similar initiatives funded and administered by the Victorian Government and community based organisations are having an impact on local small businesses and, in particular, those businesses owned and managed by women. The Victorian initiative involved 10 small businesses, employing 90 employees, and achieved tangible results for both small businesses and workers, including:

- helping to develop employee choice rostering practices;
- the introduction of family rooms and job sharing arrangements;
- the development of purchased annual leave clauses;
- pride in business and greater motivation of workers; and
- increased business viability.

With the right encouragement and support, small businesses can be endlessly creative about the means of driving change. By facilitating change and creating the incentives for change, Federal Labor's fresh approach will help Australians balance work and family life.





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## **National Electrical and Communications Association**

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## **National Fire Industry Association**

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## **Printing Industries Association of Australia**

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