



Australian Government  
Equal Opportunity for  
Women in the Workplace Agency

Equal Opportunity for Women in the Workplace Agency

## SUBMISSION

Senate Standing Committee on Education,  
Employment and Workplace Relations

EQUAL OPPORTUNITY FOR WOMEN IN THE WORKPLACE

AMENDMENT BILL 2012

23 March 2012

As the administering statutory authority, The Equal Opportunity for Women in the Workplace Agency (**the Agency**) supports the *Equal Opportunity for Women in the Workplace Amendment Bill 2012 (the Bill)* noting the comments set out below.

With evidence showing the rate of change towards gender equality has stalled, the Agency believes the amended Bill facilitates improvements in gender equality in Australian workplaces, while at the same time minimising the regulatory impact on reporting organisations.

It is widely accepted that improving gender equality outcomes increases productivity. The World Economic Forum has found there to be a strong correlation between a country's competitiveness and how it educates and utilises its female talent:

“...empowering women means a more efficient use of a nation's human talent endowment and...reducing gender inequality enhances productivity and economic growth. Over time, therefore, a nation's competitiveness depends, among other things, on whether and how it educates and utilizes its female talent.”<sup>1</sup>

Domestically, in 2009 Goldman Sachs JB Were found that closing the gap between male and female employment rates would potentially boost GDP by 11%<sup>2</sup>. Based on 2010 data, Goldman Sachs JB Were updated this analysis and found the potential boost to GDP could actually be 13% (26 August 2011). Accordingly, the Agency welcomes the inclusion in the Bill of a new object “to improve the productivity and competitiveness of Australian business through the advancement of gender equality in employment and in the workplace”.

Reporting under the Bill will be online and against standardised measures called Gender Equality Indicators (**GEIs**). GEIs will be based on research and targeted to outcomes and activities which are predictive of improved gender equality in the workplace. This will provide a framework that will not only result in gender equality improving over time enabling the full participation of women and men in the workforce, but will also allow employers to fully utilise and engage their staff, thus becoming more competitive.

The Agency believes standardised reporting will reduce the regulatory burden on business by streamlining an organisation's reporting requirements, significantly reducing the amount of time the report will take to complete. The GEIs are also intended to give certainty to employers about what to include in their reports over time, serving as a road-map for organisations and providing direction on what actions need to be taken to progress gender equality.

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<sup>1</sup> The Global Gender Gap Report 2011, p.27

<sup>2</sup> “Australia's Hidden Resource: The Economic case for Increasing Female Participation”, 26 November 2009

Standardised reporting will also give the Agency the opportunity to collect, analyse and aggregate data and information relating to industry and occupations, making the GEIs an invaluable means of measuring progress over time. They will enable the Agency to establish industry benchmarks that employers can use to understand where they are placed compared to other organisations in their sector, as well as understand how their own and other sectors are faring. This information is highly sought after by employers to assist them in developing strategies and activities to make them more competitive in attracting and retaining staff, which is critical in a tight labour market.

It is important that the Agency be able to measure progress over time, as well as for employers to have certainty about the data on which they are required to report. The Agency expects that, when the GEIs are determined, "*gender composition of the workforce*", one of the categories in the definition of GEIs in Subsection 3(1)(a), will be in the nature of the workplace profile as currently provided.

The Agency supports the current proposed arrangements relating to the introduction of minimum standards in the Bill, subject to the following comments. Section 19 of the Bill states that, before 1 April 2014, the Minister will, by legislative instrument, set minimum standards in relation to specified GEIs. In doing this, the Minister is required to consult with the Agency and other key stakeholders on what minimum standards should be set. Given the first year of full reporting under the *Workplace Gender Equality Act 2012* will be post- 1 April 2014, the minimum standards that the Agency will be able to recommend to the Minister will be related to the activity-based GEIs only. These indicators will be based on research conducted by the Agency, academics and gender equality experts, on the activities that are considered predictors of improved gender equality outcomes in workplaces. Once the Agency receives and analyses the data from reports submitted in 2014, it will then be able to make a recommendation on what minimum standards could be applied across both outcome and activity-based GEIs.

Given the significant contribution that having standardised data and minimum standards will make to ensuring gender equality continues to improve in Australian workplaces, as well as providing certainty and continuity to employers in reporting, the Agency believes that minimum standards should, over time, be consistent and cumulative.

Under Section 16B, employees and employee organisations can make comment on their organisation's report to the Agency at any time. The Explanatory Memorandum relevantly states that comments made to the Agency during the 28 days following lodgement of a report will allow for those comments to be taken into account by the Agency in requesting

additional information from the employer to assist in assessing compliance with the Act<sup>3</sup>. This could result in a significant number of comments being made to the Agency by employees or employee organisations. As such, depending on how many comments are received, there is a risk that the Agency will be unable to consider each comment individually. This is regardless of whether those comments are made within 28 days after lodgement of a report, or at any other time. There is also a risk this could lead to false expectations by employees and employee organisations that the Agency will follow up and take action in respect of all comments made.

Organisations required to comply with and report under the Workplace Gender Equality Act 2012 will be non-government organisations employing 100 or more staff. The Explanatory Memorandum stipulates that *"The improved coverage of the Act will enable the Agency to extend its advice and education functions to all employers, not just those who are required to report<sup>4</sup>."* While the stated intent of the Bill and Explanatory Memorandum is that the Agency extends its educational functions to smaller businesses, the Agency believes the current statement in the Explanatory Memorandum implies that the public sector is also included in its advice and education obligations. This is not the intent of the Workplace Gender Equality Act 2012.

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<sup>3</sup> See page 27 of the Explanatory Memorandum

<sup>4</sup> See page 3 of the Explanatory Memorandum