

## **To Senate Committee on Education, Employment and Workplace Relations Committee review of Equal Opportunity for Women in the Workplace Amendment Bill 2012**

### ***Executive Summary***

economic Security4Women (eS4W) is one of six National Women's Alliances funded by the Australian Government through the Office for Women, Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

eS4W is committed to strengthening economic wellbeing and financial security for all women. These are essential ingredients to achieving equity for all women and impact on all aspects of women's lives including their family, education, health, employment, retirement, housing and personal safety.

eS4W welcomes the Amendment Bill 2012 for the Equal Opportunity for Women in the Workplace Act 1999 and the opportunity to make a submission to you on this.

We believe that these long overdue reforms will lead to a greater commitment from business, both large and small; to ensure that gender equality is central to all aspects of employment.

As we strive to increase the participation of women in the workforce we believe these amendments will assist both men and women. They will ensure that both men and women are able to add to and share the family and care work while they compete fairly in the labour market.

For business, the reporting requirements will provide the feedback businesses need in order to address barriers to the participation of women in the workforce and to maximise the productivity of all current and potential employees.

And for small business, the enhanced functions of the Agency will mean these businesses can benefit from advice and assistance to ensure they can compete with large businesses, for skilled women workers who are looking for flexible working arrangements and pay equity.

While we are pleased that the legislation is now to be enacted, we would like to suggest some minor improvements that should not require any change to the proposed timetable of implementation. We believe it is most important for this legislation to be introduced as soon as possible with no delay in the proposed implementation timetable.

For gender parity Australia is well behind other developed countries, for example Norway and New Zealand behind. Australia has skills shortages across all major industries and employers (small and large). Much more needs to be done to secure women's economic security and to attract and retain female apprentices, workers, and professionals to the workforce. We believe the amendments to the legislation go some way towards this goal.

## Detail of submission

### **Coverage of Act**

eS4W welcomes the change in focus of the Act; to promote and improve gender equality in the workplace. We appreciate that gender equality must include a focus on both men and women and in particular consider the barriers to men's shared participation in family and care work. Only when this care work is fully valued and recognised will women be able to participate fully in the workforce and achieve their potential while caring responsibilities across Australian society are well met.

These principal objects also explicitly recognise equal remuneration and family and caring responsibilities as key components of gender equality. We appreciate the inclusion in the definition of employment matters, of flexible working arrangements – so important to many women – and to equal remuneration between women and men.

eS4W supports the increased focus on smaller businesses; the Agency can now play a key role in assisting these businesses to become equal opportunity workplaces and reduce the gender pay gap – a key ingredient for them attracting and retaining valuable staff (Barrett & eS4W survey).

However we are concerned that only approximately ten per cent of employing businesses in Australia (those that employ more than 100 people) will be required to report on gender equality. In the period 2007-2009, most employing businesses in Australia had less than 20 employees (ABS 2010) while in 2009–10 small businesses provided employment for almost half of total industry employment, which equated to almost 4.8 million people (Department of Innovation, Industry, Science & Research 2011).

Statistics from ABS for period June 2007 to 2009 (ABS 2010) show:

At June 2009, of the 2.05 million businesses in Australia, there were 40.0% (820,803) employing businesses and 60.0% (1,230,282) non-employing businesses.

Most employing businesses, 89.1% (731,055) employed less than 20 employees.

This comprised

- 68.0% (497,098) businesses with 1-4 employees
- 32.0% (233,957) businesses with 5-19 employees.
- 10.2% (83,399) businesses with 20-199 employees and
- <1% (6,349) businesses with 200 or more employees.

Recent research funded by eS4W indicates that small to medium enterprises need to be actively encouraged to embrace workforce diversity and that government has an important role to play (Barrett 2012, eS4W 2012).

Further, it appears that small business requires assistance to embrace gender equity in their workplaces. This assistance could be by way of mentoring; specific training programs on matters such as how to create and maintain an annual gender pay audit etc. We are particularly concerned that the latest round of the DEEWR's National Workforce Development Fund didn't specify training programs to assist the retention and advancement of women and other under-represented groups.

We are also most concerned that the public services are not included in requirements to report on gender equality in the workforce. The public services of the Commonwealth, state, territory and local governments are large employers of women. It is most important that they be fully included in the monitoring and reporting established by these amendments.

### ***Enhancing the Agency's advice and educational functions***

eS4W supports the enhanced functions of the Agency.

eS4W is concerned that the Agency be provided adequate resources and expertise to ensure the implementation of proposed research and programs for the purpose of promoting, monitoring and improving gender equality in the workplace. The Agency will need to be rigorous and creative in extending its reach and influence to the full range of employers, particularly given the scale and nature of micro, small and medium businesses in Australia, their significant role in employing Australian women and the large proportion (89 per cent) of businesses that are not currently intended to be included in requirements to report on gender equity,

We are committed to working with the Agency to promote and contribute to the understanding and acceptance, and public discussion, of gender equality in the workplace. Within our member organisations, we have a wide range of expertise across business and employment types with a strong focus on strengthening women's economic outcomes and workforce participation.

We also recommend the Agency aims to raise public awareness of the United Nations Global Compact, in order to increase the number of signatories in Australia. The UN Global Compact encourages employers to sign a pledge that they will work towards equality in the workplace. The take up rate for Australian employers remains low. To date, only Westpac, Allens Lawyers, Carnival Australia and the Association of Professional Engineers, Scientists, and Managers Australia (APESMA) are signatories. Increasing awareness of the Global Compact will also raise the profile of the Women's Empowerment Principles - these address the human rights and labour principles of the Global Compact with a specific gender emphasis. They lend international support to the work of the Agency and offer clear guidelines to businesses, of all sizes, to follow.

The Agency can also extend its reach and influence through constructive dialogue with the Australian Chamber of Commerce and Industry, with the Council of Small Business of Australia, with the Business Council of Australia and the Australian Council of Trade Unions. eS4W is ready to support and participate in this dialogue to improve the economic security of women in Australia.

We are heartened that the amendments allow and encourage the Agency to include external expertise to assist in the development of gender equality indicators and their related benchmarks. As an organisation with a special interest in gender equality and economic security for women we offer our expertise and support to this process.

## **Reporting requirements**

We look forward to increasingly rigorous and comprehensive analysis and reporting by the Agency, utilising data and statistics relevant to the gender equality indicators and including improvements made in workforce participation by women.

We support the intention of subsection 12(2A) that provides that the Agency must submit to the Minister a report on the progress achieved in relation to the gender equality indicators every two years; that the Agency must submit this report as soon as practicable after the end of the two year period ending on 31 May 2016 and each subsequent two year period and that this report from the Agency to the Minister will be tabled in Parliament.

We welcome the simplified reporting process and the use of Gender Equality Indicators (GEI) against which all employers can compare their status and any improvement.

Given our concern with the lack of reporting required of small to medium business, we recommend the Agency explores incentives for small and medium enterprise participation in improving the diversity and equality of their workplaces.

In developing GEIs, minimum standards and benchmarks, we suggest the Agency consults without delay with persons or organisations representing industry, business, employee organisations, higher education institutions, and other experts or interested parties in relation to gender equality.

We would like to see these indicators adopted from existing data sets – to enhance research processes – and introduced as soon as possible in order for business to prepare for their future required reporting against minimum standards.

With reference to the barriers to employment, we remind the committee members that current regulations are not sufficient to reduce these barriers especially in small to medium enterprises. For example a business owner is not compelled to install female only toilets and change rooms for female apprentices and mechanics in SME auto workshops.

In addition, few workplaces (small and large) have onsite, safe facilities to allow female lactating workers to be able to breastfeed or express privately and hygienically.

We advocate strongly for adequate processes, resources and expertise to be put in place to ensure workplaces engage their employees in the reporting process. Without employee input, the accuracy of the reporting process runs the risk of compromise.

We support a staged process when introducing reporting requirements and setting minimum standards in relation to specified GEIs.

### **Phase one: 2012-2013**

In addition to requirements stated in the amendment we recommend:

- the new reporting format includes gender equality indicators without the requirement for business to report on them in this first instance.
- The workforce profile is based on first round simple indicators
- Activity requirements are established as an introduction to minimum standards.

## **Phase two: 2013-2014**

We make the following additional recommendations for this phase of implementation:

- The Agency uses its own and externally sourced data sets to develop indicators for second year.
- Benchmark data are identified and inform minimum standards to be introduced in phase three.

## **Phase three: 2014 ongoing**

- Organisations report on these indicators with the aim of complying with or improving on minimum industry standards.
- Subsequently the final benchmarks are developed on an industry by industry basis.

We support the requirement for the Minister, before making a legislative instrument under the Act, to consult with the Agency and other persons representing industry, business, employee organisations, higher education institutions, and other experts and interested parties in relation to gender equality

### ***Strengthening compliance framework***

We support the proposed strengthened compliance framework and encourage the Agency and the Minister to consider how to increase the commitment of industry to Gender Equality in the workplace to the point at which all businesses are required to ensure it is established practice.

We support the publication of businesses that fail to comply on an annual basis. We also recommend that a recognition of achievement clause be included in the amendment to ensure this progression is celebrated. We recommend that publication of both success and failure form part of an awareness campaign demonstrating Australia's progression to gender equality in the workplace.

We agree that businesses and not for profit organisations who fail to meet minimum standards of gender equality and are unable to demonstrate any progress towards improving their position should not be eligible to compete for contracts under the Commonwealth procurement framework and should not be eligible for Commonwealth grants or other financial assistance including that through state and territory governments..

As well as sanctions, we recommend Government puts in place incentives for organisations to move towards gender equality in the workplace. Mechanisms to enhance the eligibility to compete for contracts, to receive Commonwealth grants or other financial assistance of small to medium employing businesses should be explored as an incentive as well as recognition of achievement referred to above.

Meeting minimum standards of gender equality in the workplace as a pre-condition for involvement in government contracts and in order to receive government benefits can also be used as an incentive for businesses to start to report to the Agency given that approximately 30 – 35 per cent of large organisations do not currently do so.

## References

Australian Bureau of Statistics 2010 [8165.0 Counts of Australian, Businesses, including Entries and Exits, June 2007 to June 2009](#). Commonwealth of Australia. Canberra, ACT.

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