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20 August 2008

The Secretary
Standing Committee on Employment & Workplace Relations
House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam,

**Pay equity and associated issues related to increasing
female participation in the workforce**

Thank you for your letter dated 15 July 2008 requesting a submission in respect of your inquiry into pay and equity issues related to increasing female participation in the workforce.

TNT Australia Pty Limited firmly believes in equal opportunities and pay for females in our workforce. We have a consistent and equitable recruitment process; provide equal opportunities for promotion and all our managers have recently attended discrimination and sexual harassment training. Our commitment to diversity and equity for women in the workplace is validated by our 2007 Employee Engagement survey in which 95% of employees agreed with the statement that TNT provides a working environment that accepts and recognises gender differences.

In our view the follow issues could be considered in the committee's inquiry:

International perspectives – The committee would be well advised to review best practice from around the world. A recent report published by the European Commission¹ for example lists a number of best practices in respect of the policy responses to the gender pay gap. The report concludes that best practices refer to the availability and dissemination of information. Only a few European countries provided more offensive strategies like legal measures enforcing equal pay or policies directed towards strengthening the infrastructure. The UK government for example recognises that there is a problem with the gender pay gap, but is rather reluctant to go against its policy of deregulation and voluntary action by employers in the private sector.

Baby Bonus - In our view the government's move to paying the baby bonus in periodic payments is an excellent step towards effectively providing a form of maternity pay. It would be even better, however, to replace the baby bonus with an income related maternity pay allowing women to maintain (a portion of) their income during maternity leave. By having this paid by the government, it would place an equal burden on society and would not discourage employers from employing females of a child bearing age. A benefits cap and limited payment period would allow the costs of the scheme to be controlled.

¹ The gender pay gap - Origins and policy responses. A comparative review of 30 European Countries by the European Commission Directorate-General for Employment, Social Affairs and Equal Opportunities completed in July 2006. ISBN 92-79-02565-1
http://ec.europa.eu/employment_social/emplweb/gender_equality/publications_en.cfm



Number of pages 2

Education and information - There is a greater need for government agencies to heighten Australian business's awareness of gender based disparity in salaries and issues restricting female participation in the work force. By flagging these issues business would be better informed and would be able to make tangible steps to address them. Government conducted seminars targeting employers (small, medium and large) or employer groups informing companies of the issues/impact of such disparity and best practice initiatives would be of benefit in getting corporate action.

Job evaluation – A gender neutral job evaluation methodology is an excellent basis for setting fair and equitable pay practices. In TNT we are using the Hay methodology which allows job-to-job comparisons based on skill, effort and responsibility. The robust and fair nature of the Hay methodology is illustrated by the fact that it has and has proven to be legally defensible around the world since its inception over 50 years ago. As a large employer we have a central point of contact within the business to coordinate our job evaluation and pay practices which ensures a consistent approach throughout the business. For companies unable to support such a role then employer/industry representative groups could be used as a reference point.

Professional recruitment - Having a skilled, objective and professional in house recruitment team providing support to the business in sourcing and selecting staff ensures greater equity and engagement of women in the workforce. This is complemented in TNT by having clear recruitment policies and processes and line management recruiting staff trained in objective/non discriminatory selection techniques.

In summary, whilst we are absolutely in favour of full equality for males and females in the workplace, we are opposed to any positive discrimination or over bureaucratic approaches that would place an additional burden upon employers. In our view there is a need for further government support and education for employers in this area. A change in government policy in respect of the introduction of maternity pay would be welcomed, as long as it was fully government funded. In our view, however, further legislative reform would most likely add to red tape and – particularly if the legislation contained onerous data tracking requirements - reduce competitiveness of Australian business without really providing the positive change in attitude required.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Corcoran', written in a cursive style.

Roger Corcoran
Chief Executive Officer