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The Secretary
Standing Committee on Employment and Workplace Relations
House of Representatives

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Submission to the House of Representatives Enquiry into Pay Equity and Female Participation in the Workforce.

Introduction

The Tasmanian Chamber of Commerce and Industry is Tasmania's peak employer body. It operates a consulting business in the areas of workplace relations and people management providing services in these areas to Tasmanian businesses. As such, it has direct experience of the kinds of issues identified in the call for submissions. The comments in this submission reflect the situation as it is for Tasmanian businesses.

Specific Comments

Tasmania, perhaps more than any other states, has a significant number of employers who are small businesses. The views and approaches adopted by these employers, is often not represented in response to inquiries such as this. This is because it is really large employers and organisations dedicated to working in the area of equal employment opportunities who have the time and resources to devote to preparing responses to enquiries such as this. It is also however, because these larger businesses are the ones who remain the focal point of those ensuring compliance. There is a perception that if a large employer does the wrong thing, then it will impact on much larger numbers of employees. For example, the failure of large businesses to address pay equity issues for females in the workforce is seen as a much more significant issue than an employer of under 50 people. However, until small employers fully understand the need for pay equity, there will be many more women impacted across a much broader front.

In our experience with small employers, there is very little knowledge or concern about concepts such as pay equity and EEO. There is considerable concern about parental leave being extended – mainly focused on the capacity of those small businesses to meet their obligations and operate their businesses. In that respect, the level of awareness about the disadvantages that females suffer, and therefore the willingness to address the issue, is at a very low level. In light of this, the focus of any future interventions needs to be firmly on this issue as one of social change and therefore policy leadership.

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Areas identified in the call for submissions

The causes of potential disadvantages in relation to women's participation in the workforce from a Tasmanian business perspective are to a large extent covered by the issues raised in the briefing letter. These are addressed as follows.

Adequacy of current data to reliably monitor employment changes that may impact on pay equity issues.

If we are going to track pay equity issues over the career lives of men and women we need to be able to compare significant events that occur such as promotions. In businesses large enough to have internal promotions, it is difficult to find data about who is promoted and then as a consequence, it is difficult to match the pay advances of either gender to see where in an employee's career, the inequity starts to occur. This is for a number of reasons – first payroll systems typically use an establishment system which means that a promotion is recorded as a move to another position. Trying to then identify that this was in fact a promotion, requires manual intervention. Most businesses won't feel that this is a good use of the scarce HR Information System Officers to do this type of enquiry particularly when there is no requirement for them to do so. We know that men and women start on the same pay rates in the same classification systems. 15 years later we know that men, even if they have been promoted to identical positions as women, will be paid more. To better understand this, we need good data and businesses need to first believe that this is an issue.

To show career progress for women who work in small businesses and who are committed to staying in private enterprise, has the added issue that these women accept that they will need to change businesses to advance as there is often not the opportunity for promotion if they stay in one business. Good pay data then would need to deliberately identify men and women who follow careers in smaller businesses and track their progress over a lengthy span. This data would be invaluable.

The need for education and information among employers, employees and trade unions in relation to pay equity issues.

Until there is incontrovertible evidence that pay equity is an issue, education programs will struggle to get traction. The usual EEO training run by most businesses is focused on the anti-discrimination, not on a wider discourse about equitable working conditions and pay. Our society has to believe that a lack of pay equity is unacceptable, before we can engage in a debate about how to best address the issue. The small businesses we visit, don't see this as an issue – it isn't part of their social or organisational framework.

Current structural arrangements in the negotiations of wages that may impact disproportionately on women.

.The structural barriers to negotiation of wages that we see with our clients are;

- Women are much less likely to pursue wage increases and prefer to be offered increases.
- They are less likely to put forward their skills and the reasons why they should get the promotion on offer.



- They are likely to be happy with what they are offered rather than pursuing an equal deal with their male colleagues.

The process of union collective bargaining is often alienating to women who see it as unduly confrontational and not something with which they wish to be associated. Agreement making where employers and employees engage directly in discussions allows a negotiation that more likely to involve all, and less likely to be confrontational.

In addition, women are more likely to more highly value flexible working conditions and family friendly work places and will accept lower wages outcomes for these arrangements.

Adequacy of recent and current equal remuneration provisions in state and federal workplace relations legislation

The current legislation really does not address this issue. Many businesses that espouse EEO still engage in pay and classification structures that are based on seniority and incremental increases over time. These disadvantage any employees who are not in the workforce for periods of time. Progression based on skill acquisition is considered in occupational awards and supported by unions. The process for assessing those skills is dominated by unions who argue that someone who has the skills should be paid for them regardless of whether they are needed by the employer. Employers then, are not keen to engage in a system that affords them little control over the numbers of employees they want at differing skill levels. The proposed changes to the federal awards to move from occupational awards to industry awards needs to ensure that people are paid equally for the work they do – regardless of seniority. It needs to ensure that classification systems are not built on the basis of seniority and support employers in developing skilled employees because they need them, not because an employee wants more money.

Adequacy of current arrangements to ensure fair access to training and promotion for women who have taken maternity leave and/or returned to work part time or sought flexible hours.

The current arrangements in most businesses are focused on ensuring that those women who have taken maternity leave, have a job to return to. In that sense compliance is the focus. Retaining valued employees and ensuring that they return from maternity leave, is still not the focus of most businesses. The skills shortage will encourage businesses to better address this issue and to put more effort into ensuring that women return from maternity leave and can re-enter their careers with minimal impact. For most small businesses though, filling vacancies whilst employees are on maternity leave is quite problematic. For example, if you employ under 5 people – which is a large proportion of small business, then losing 20% of your workforce for a year, presents a significant issue. A better acceptance of this constraint will be even more important once parental leave is enacted – in that scenario an employer of 5 could lose 2 people and actually not be able to operate. The protections proposed via the concept of business’ right to refuse a request on ‘reasonable’ grounds remain to be tested. A much more practical response would be to better manage temporary labour – people that wish to work for fixed shorter periods and can be deployed more flexibly to small business.



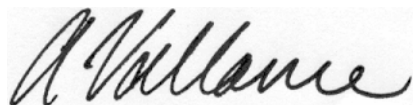
The need for further legislative reform to address pay equity in Australia.

The extent to which legislation can impact business behaviour and influence social change is always an issue. If governments wish to lead social reform then the business community need to be convinced that there is a business benefit in them addressing this issue. This could include;

- Collecting better data to lift the level of debate by partnering with business to collect this data
- Use the offices of organisations such as EOWA, the Chambers of Commerce and Industry, Women Chiefs, etc to better inform business in forums that they attend.
- Align workplace reforms with ensuring pay equity by ensuring that the revisions of the Workplace Relations Act provide better support for pay equity – Award modernisation provides an opportunity for the introduction of an employment standard that identifies equal pay for equal value work. (See comments above in relation to the adequacy of remuneration provisions).

Please contact me if you wish to discuss this further.

Yours sincerely



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