

Workplace Gender Equality Reporting

Regulation Impact Statement

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# Regulation Impact Statement

This Regulation Impact Statement (RIS) has been prepared by the Department of Employment (the Department). The purpose of the RIS is to assist the Australian Government to make decisions regarding reporting requirements for employers under the *Workplace Gender Equality Act 2012* (the Act) and the *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)* (the Instrument).

This RIS has been prepared in accordance with the *Australian Government Guide to Regulation 2014* and in consultation with the Office of Best Practice Regulation (OBPR) in the Department of the Prime Minister and Cabinet. The RIS addresses the seven Regulation Impact Statement questions:

1. What is the policy problem to be solved?
2. Why is Government action needed?
3. What policy options are being considered?
4. What is the likely net benefit of each option?
5. Who will you consult and how will you consult them?
6. What is the best option from those considered?
7. How will the chosen option be implemented and evaluated?

# Background

The Act has its origins in the *Equal Opportunity for Women in the Workplace Act 1999* before it was renamed and refocused in 2012 to promote and improve gender equality outcomes in the workplace.

The principal objectives of the Act are to:

* promote and improve gender equality (including equal remuneration) in employment and the workplace
* support employers to remove barriers to the full and equal participation of women in the workforce
* promote, amongst employers, the elimination of discrimination on the basis of gender in employment matters
* foster consultation between employers and employees on gender equality in the workplace
* improve productivity and competitiveness of business through the advancement of gender equality.

The Act commenced on 6 December 2012. The Act introduced new reporting, accessibility and compliance measures to be phased in over two years, commencing on 1 April 2013 for the 2013–14 reporting period. The process of submitting reports has been streamlined through the introduction of an online reporting portal for employers, which was created, and is managed by, the Workplace Gender Equality Agency (the Agency), formerly the Equal Opportunity for Women in the Workplace Agency.

The Act requires registered higher education providers and non-public sector employers with 100 or more employees (defined as relevant employers[[1]](#footnote-2)\*) to report annually to the Agency.

Reports relate to the 12-month period between 1 April and 31 March (the reporting period) and are to be submitted within two months of the end of the reporting period. For the 2013–14 reporting period, it is expected that about 4660 reports will be submitted by organisations on behalf of approximately 12,000 employers, covering about 3.9 million employees. This lower number of reports compared with the number of employers is due to the reporting arrangements within corporate structures (parent organisations can report on behalf of subsidiaries).

The Act also established the Agency, an Australian Government statutory agency. The role of the Agency is to collect and analyse the data from employers and develop benchmarks in relation to the Gender Equality Indicators (the Indicators). It is expected that the first confidential customised benchmark reports will be provided to reporting organisations in early December 2014. The Agency must submit a report to the Minister for Employment on the progress achieved in relation to the Indicators every two years, with the first report due after the two-year period ending on 31 May 2016. Other Agency functions include undertaking research, formulating programmes and providing advice and assistance to employers for the purpose of promoting and improving gender equality in the workplace.

Reporting under the Act is intended to establish a long-term dataset to provide evidence at the workplace and industry level, and to provide a better understanding of gender dynamics in Australian workplaces. From the data provided by reporting organisations each year, the Agency intends to develop aggregate benchmark data, and individual customised and confidential employer reports in relation to the Indicators. This will provide employers with aggregate data (that can be compared across multiple variations, including industry and size) to consider their workplace outcomes and practices in relation to previous reporting years and industry peers. Employers can use this information to drive change within their organisations and industries.

The Agency will also make the de-identified data available more widely for other stakeholders, including researchers, industry groups, educators and the general public via data.gov.au and through a custom‑built data-visualisation product.

Gender reporting, as outlined in the Act, is a mechanism for individual organisations to identify and action gaps in gender equality, gender representation, gender pay and access to flexible work arrangements within their organisation. Using the benchmark reports prepared by the Agency, organisations will also be able to compare their results with similar organisations. In effect, while there is a regulatory requirement with which relevant employers must comply, they gain a two-fold benefit of better understanding of their own organisation as well as an understanding of their industry more broadly.

The six Indicators that employers must report on, as set out in the Act and the associated Instrument, are:

1. gender composition of the workforce
2. gender composition of governing bodies of relevant employers
3. equal remuneration between women and men
4. availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities
5. consultation with employees on issues concerning gender equality in the workplace, and
6. any other matters specified in an instrument – the Instrument sets out sex-based harassment and discrimination in the workplace as Indicator 6.

Under the Act, relevant employers must make their gender reports, with personal and confidential information redacted, (such as the remuneration data) accessible to employees, shareholders and members of the employer through electronic or other means. Employers are also required to take reasonable steps to inform unions (which have members who are employees) that the employer has lodged the report. Employees and unions may then provide comments on the report to either the employer or the Agency.

The Instrument that stipulates the specific reporting requirements under each of the six Indicators took effect on 1 April 2013. Relevant employers are required to report against the Indicators under Schedule 1 of the Instrument for the 2013–14 reporting period. Schedule 2 of the Instrument sets out additional requirements for three of the six Indicators. The Schedule 2 requirements are not due to commence until the 2015–16 reporting period (noting these requirements were originally due to commence for the 2014–15 reporting period but were delayed following a Government decision in early 2014 after consultation with relevant stakeholders).

Under the Instrument, Schedule 1 requires relevant employers to provide a workplace profile of their organisation (including gender, employment status, occupational categories for managers and non-managers, reporting level from the Chief Executive Officer (CEO) or equivalent and annualised average full–time equivalent base salary and total remuneration), as well as report against the six Indicators through a questionnaire. This is a significant increase in the information employers are to provide compared with the previous reporting requirements under the *Equal Opportunity for Women in the Workplace Act 1999,* but is supported by a new online reporting tool that aims to make reporting easier.

Schedule 2 of the Instrument introduces additional requirements to the workplace profile and questionnaire that were initially intended to commence a year after the requirements in Schedule 1. These additions include detailed information on the components of total remuneration (such as bonus payments, superannuation, discretionary pay, overtime, other allowances and other components not already included), recruitment exercises such as interviews, promotions, resignations and employees returning from parental leave. Details of the reporting requirements as set out in Schedule 1 and Schedule 2 are at **APPENDIX A**.

# What is the problem to be solved?

Gender equality is achieved when people are able to access and enjoy the same rewards, resources and opportunities regardless of whether they are a woman or a man. The aim of gender equality in the workplace is to achieve broadly equal outcomes for women and men.

Achieving gender equality within the workplace not only benefits women but also adds to the benefit of other stakeholders, such as employers, businesses, investors and the wider community and economy. For example, the Grattan Institute has estimated that if 6 per cent more women entered the paid workforce, this would increase the size of the Australian economy by about $25 billion per year.[[2]](#footnote-3) The OECD also recently estimated that Australia could increase its average annual growth in GDP per capita from 2.0 per cent to 2.4 per cent if the labour participation gap between men and women was reduced by 75 per cent.[[3]](#footnote-4)

Having a more diverse labour force is good for business. The Credit Suisse Institute identified in a recent report, looking at over 3000 companies, that those companies with a market value of more than US$10 billion, with at least one woman on the board, achieved a 5 per cent better stock market performance compared with companies that do not have any women on the board.[[4]](#footnote-5) In addition, the report showed that companies with higher proportions of women in management positions also experienced better returns. In short, there is a social, business and investment case to support greater gender equality in the workplace as greater diversity creates better decision-making and business performance. Further details about the economic and business case are set out in **Appendix B**.

The concept of reporting and measurement as a driver for change in the workplace is supported by international reports. For example, management consulting firm McKinsey and Company has found that a company which has a robust, fact-based understanding of gender equality in its workplace is 2.4 times more likely to have transformative diversity policies. The same report also argues that, at a minimum, the data should include ‘the proportion of women in the company’s business units at each level of employment, the pay levels and attrition rates of men and women in comparable positions, and the ratio of women promoted to women eligible for promotion’[[5]](#footnote-6).

Employers and employer organisations have raised concerns with the Government about the effectiveness of the new reporting regime. They have stated that the benefits they might receive from the requirements are not commensurate with the significant effort required to report. For this reason, the Government has committed to reviewing the reporting requirements through a public consultation process with a view to streamlining the data collection on gender reporting so it is manageable and drives change.

It is important to note that most reporting organisations who participated in the consultation process advised that they support the objective of gender equality reporting when it is not onerous and they can clearly see the benefits for their organisation. Therefore, it is essential that the data collected directly supports organisations in their efforts to improve gender equality in their workplaces in a transparent and manageable way.

To date, employers have not received the benchmark reports from the Agency that show them how they compare with similar organisations within their industry, or similar-sized organisations. These are expected to be provided to employers in December 2014.

There are three clear areas of reporting requirements where the majority of reporting employers who participated in the consultation have concerns. These were raised consistently during the Department’s consultation process, including through its online survey, face-to-face discussions with employers and through the written-submission process. These three areas are:

* remuneration data for all non-managers in an organisation that must be annualised and turned into full-time equivalents (workforce profile section)
* occupational categories for managers and non-managers (workforce profile section)
* additional components of total remuneration and application processes (outlined in Schedule 2 of the Legislative Instrument that is not yet in force and is currently due to commence in the 2015‑16 reporting year).

Generally, most employers and stakeholders have no concerns about questions that ask about whether organisations have gender equality strategies or policies, equal remuneration strategies or policies and flexible working arrangements, among other issues.

To complete the reporting requirements for the workforce profile section, some organisations have advised that they must manually extract data from their payroll or human resources data systems that then needs significant amounts of manipulation to fit the reporting framework. The impost of the time and cost to employers of completing the remuneration data requirements in the workforce profile section is high. Organisations have reported that they are concerned that the data they are asked to provide might be distorted through this process and, therefore, might not represent their organisation accurately. This has the potential to result in data that does not correctly reflect the profile of individual organisations for internal analysis or benchmarking purposes.

Advice that the Department has received from the Agency supports the concerns raised by employers. The Agency has indicated that the non-manager remuneration data broken down by the Australian and New Zealand Standard Classification of Occupations (ANZSCO) level 1 occupational category is too broad for useful analysis and therefore might not be effective in driving change. The Agency is currently working with employers to ‘cleanse’ some of the remuneration data where it has been incorrectly formatted or provided, but it might not be able to address all quality issues.

While difficulties regarding aspects of reporting have been raised, it is important to note that the data collected by the Agency is unique. While some alternative data sources exist, such as labour market statistics gathered by the Australian Bureau of Statistics, these primarily capture slices of workplace gender equality data, for example by industry, single issues or broad national data. They do not provide organisational-level data that provides the basis for internal analysis. The gender reporting data provided through this process is more granular. The outcome from the annual reports provided to the Agency will result in benchmark reports that will enable employers to consider the workplace practices and outcomes in relation to industry peers and compare their own performance from one year to the next.

The policy problem to be solved is how gender reporting can be streamlined so that the data collected is manageable for employers as well as accurate and effective in terms of driving change at the workplace level. This has to be viewed within the context of:

* Government, employers and other key stakeholders agreeing that gender equality in workplaces is important and currently lagging in Australia
* the aim of gender equality reporting is to address a lack of understanding of employers of gender inequality within their organisation, either by occupation, seniority levels or opportunity for career progression, and provides the impetus to review their own data and outcomes, and develop strategies to improve gender equality within their organisation
* stakeholders having divergent views on the importance and usefulness of particular aspects of reporting
* recognition that compulsory reporting is one of a number of levers used to improve gender diversity.

The policy response, therefore, should seek to achieve a balance which ensures reporting is effective in achieving its aims of supporting improvements in gender-related barriers in employment and workplaces, while being manageable for employers.

# Why is Government action needed?

The gender reporting requirements are given effect by federal legislation. The former Government established the current gender reporting requirements, which were given effect by the Instrument in March 2013 following a consultation process. Some employers and employer groups raised concerns with the Government that their views were not adequately taken into account during this initial phase of consultation and in the setting of the Instrument. They argue, that now that the requirements are in place, the onerous nature of some of the requirements clearly present significant problems for reporting organisations. They have asked the Government to consider this issue and, for this reason, the Government has committed to reviewing the requirements.

The Government has the ability to change the reporting requirements through amending the disallowable Instrument that sets these out. There is no requirement to amend the Act in order to do this.

In early 2014, the Department conducted a consultation process with a number of stakeholders interested in gender reporting on the reporting requirements. In response to feedback from this consultation process and feedback from employers, Senator the Hon. Eric Abetz, Minister for Employment and Senator the Hon. Michaelia Cash, Minister Assisting the Prime Minister for Women, announced on 25 March 2014 a public consultation process on the reporting requirements set out in the Instrument. The Government made a commitment that workplace gender equality reporting will remain in place, and that the purpose of the consultation is to identify opportunities to streamline reporting requirements to ensure gender reporting drives results in the workplace and represents value for effort.

The role of gender reporting regulation is to assist businesses to consider gender equality in their own organisation. Gender reporting aims to achieve this by gathering evidence at the workplace level that will drive change to promote female workforce participation across the economy. It is an accepted role of government to provide leadership which supports improvements in the demand for and supply of women’s labour contributions. Gender reporting is consistent with other ‘supply-side’ policies such as child care subsidies and paid parental leave, except that instead of providing a benefit directly to women, it provides evidence to employers on where they can make improvements to their workforce profile and their gender-equality frameworks.

Australia lags behind other countries in terms of women’s labour force participation. It is the Government’s role to provide levers which ensure that the labour market is as equitable as possible and that particular groups are not ‘excluded’. The Government’s role is to seek to address areas of ‘market failure’ and women’s low labour force participation, particularly among some cohorts, can be viewed through that lens.

# Policy options being considered

The Department has undertaken a public consultation process, in collaboration with the Office for Women within the Department of the Prime Minister and Cabinet. The consultation process aimed to determine whether there are opportunities to streamline and improve the reporting requirements, and to ensure the requirements represent value for effort. This included considering whether the reporting requirements:

* strike a balance between the effort of reporting and an understanding of, and support for, the benefits to be gained by reporting
* provide individual organisations with useful information to assist in analysing gender equality in their organisations
* provide data that enables organisations to reliably compare their gender equality performance with other ‘like’ organisations
* collect core elements of workplace gender data to inform individual organisations, benchmark reports and help identify where educational priorities of the Agency should be focused.

The consultation process initially focused on seeking feedback from employers regarding their experiences of reporting, as well as analysis of the reporting requirements and data to ensure that the end data is relevant and meaningful for employers. To do this, the Department invited interested parties to provide feedback or make a formal submission, with formal submissions lodged with the Department by 30 September 2014. The Department also created a short survey on the reporting requirements, which was open from 15 May to 31 July 2014. In addition, the Department met with 18 reporting organisations to discuss their individual feedback in relation to the reporting requirements. From late September 2014, the Department engaged with a broad range of stakeholders on possible options for improving the reporting requirements as set out in the Instrument and derived from analysis of the feedback received through the consultation.

It is clear from this consultation process that reporting for the 2013–14 reporting period has been difficult for many reporting organisations. This is supported by the experience of the Agency, which reports that between 14 February and 20 October 2014, more than 20,076 cases have been logged through the Agency helpline (noting that cases represent one or more calls to or from the Agency), almost all of these cases related to online reporting, with the largest majority (8309 or 41 per cent) specifically relating to reporting issues.[[6]](#footnote-7)

Some of the difficulties would be due to the fact that this was the first full year of reporting on the new requirements using the online system, but this cannot explain all the challenges. Much is also due to the onerous nature of the requirements. The Agency has developed many resources for reporting organisations that provide detailed information to assist with reporting. There is evidence, however, (such as resubmissions and rechecking of the data by the Agency), that much of this information is not being utilised by many of the reporting organisations.

The Department estimates the total cost to business in complying with reporting requirements set out in both Schedule 1 and 2 is approximately $19 million per year. On a per business basis, the cost of complying with these reporting requirements is estimated to be approximately $4069 per year.[[7]](#footnote-8) This cost is mainly associated with the time and resources required for data collection and reporting to the Agency.

Other parties have also provided feedback on the reporting requirements to the Department and via the media. Women’s advocacy groups, academics and social commentators have noted that they consider that the current reporting requirements should be retained as the process of reporting by business is a key factor in driving change at the workplace level. They also support reporting due to the focus it gives to gender equality and the gender pay gap more generally. They further note that gender inequality in the workplace has been intractable, despite legislative provisions to address these issues having been in place for more than thirty years. Some of these groups also consider that reporting should be increased to capture extra information such as the number of requests from employees and approvals by employers, for access to flexible work arrangements. It should be noted that a few employers had no concerns about the reporting requirements.

Therefore, the key difficulty in achieving the objectives for reporting will be in finding a balance that responds to the varying expectations and requirements of the interested parties. While reporting organisations identify and report on the practical difficulties in providing detailed, accurate and comparable data, women’s advocacy groups and some academics and social commentators seek minimal to no change to current requirements, or they seek even more reporting on issues of interest.

A number of the concerns raised by reporting employers throughout the consultations can be addressed by improving components of implementation of reporting requirements by the Agency, as distinct from amendments to the Instrument. These implementation changes include working with other Government agencies to addressing access to the AUSkey, elements of online reporting through the online portal, and further refining guidance material. More significant changes to data requirements will need to be addressed through amendment to the Instrument and are outlined below.

A RIS was completed in 2011 by the Office for Women in the former Department of Families, Housing, Community Services and Indigenous Affairs for the introduction of the Act. This RIS is published on the OBPR website. The Government considered options for changes to reporting requirements in response to feedback received from late 2013. At this time, the problems were identified and options considered through a targeted consultation which then formed the basis for options in an earlier RIS process that was assessed as compliant by OPBR in early March 2014. The Government announced a public consultation process and the delay of the introduction of the additional Schedule 2 reporting requirements, and as a result, the March 2014 RIS was not published.

The options listed below were developed from early evidence from the public consultation process where consistent concerns began to emerge. The options were then considered by key stakeholders and subsequent feedback has led the Department to consider that these options represent viable ways in which the Government could respond to the feedback received.

## Option 1: No change

The current reporting requirements outlined in the Act and the Instrument remain the same. This includes the reporting that organisations are currently required to complete, as outlined in Schedule 1 of the Instrument and the reporting requirements outlined in Schedule 2 of the Instrument that will take effect from 1 April 2015. This option does not respond to any of the issues raised by employers.

## Option 2: Streamline reporting requirements (significant removal of remuneration data and reduced Schedule 2 components)

This option proposes making some changes to the reporting requirements. The aim of this option is to reduce the complexity of the reporting while collecting key data to allow organisations to identify and address gaps in gender equality in their workplace and benchmark against like organisations.

The features of this option are as follows:

The overarching framework remains the same

* registered higher education providers and private sector employers with 100 or more employees will continue to be required to report every year on the gender equality indicators in their workplace
* the reporting continues to cover the six Indicators required by the legislation, including the core data:
	+ the number of employees by manager/non-manager and employment status
	+ the remuneration data for managers
	+ the questions that make up the current questionnaire (from Schedule 1), and recruitment outcomes data and the number of employees returning from parental leave (from Schedule 2).

The requirement to collect remuneration data for non-manager is removed and:

* remuneration data for CEOs and any managers employed on a casual basis will be removed
* remuneration data for all other managers will still be required to be provided.

Most of the additional requirements contained in Schedule 2 are removed, including the requirement to report on:

* annualised average full-time equivalent components of total remuneration
* the number of job applications received and job interviews conducted
* extensions to parental leave.

The requirement to report on recruitment data that shows outcomes on: appointments, promotions and resignations and the proportion of employees who have returned from parental leave is retained.

## Option 3: Streamline reporting requirements (minimal salary data and removal of significant elements of Schedule 2)

As with Option 2 above, the overarching framework remains the same. Private sector employers with 100 or more employees will continue to be required to report every year on the gender equality indicators in their workplace. The reporting continues to cover the six Indicators required by the Act.

This option removes the requirement to report on salary data for the CEO or any managers employed on a casual basis, but retains the requirement to report salary data for all other managers and non-managers.

Most of the additional requirements contained in Schedule 2 are removed, including reporting on:

* annualised average full-time equivalent components of total remuneration
* the number of job applications received and job interviews
* extensions to parental leave.

The requirement to report on recruitment data that shows outcomes on: appointments, promotions, and resignations and the proportion of employees who have returned from parental leave is retained.

## Option 4: Streamline reporting requirements (remove all Schedule 2 requirements)

All the reporting requirements outlined in Schedule 2 of the Instrument, due to be introduced in the 2015–16 reporting period, will be removed. No changes will be applied to Schedule 1. This includes removing reporting on:

* annualised average full-time equivalent components of total remuneration
* all recruitment processes, appointments and resignations (this includes data on the number of applications received, interviews conducted, promotions awarded and resignations)
* the number of employees that have returned from parental leave as well as the number of requests received, and approvals granted by the employer, to extend parental leave.

Relevant employers will continue to be required to report every year on the Indicators in their workplace. The reporting continues to cover the six Indicators required by the Act. Reporting will continue as per the 2013–14 reports, with no new requirements being introduced.

## Option 5: Remove all reporting requirements

This option proposes removing all reporting requirements for all organisations. This option would remove a longstanding requirement for employers with 100 or more employees to report on gender equality in Australian workplaces.

The option requires the Act to be amended to remove reporting obligations and, as a result, the Instrument would be amended or abolished. If amendments to the Act are not in place before the start of the 2015–16 reporting period (1 April 2015), employers will still be required to complete the existing reporting requirements for that reporting year.

This option is contrary to stated Government policy.

# Impact Analysis (likely net benefit of each option)

The options have varying degrees of impact on reporting organisations. The regulatory impact is identified as the increased time and resources for relevant employers to collect information as well as prepare and submit annual reports to the Agency. The regulatory impact is considered against the benefits of retaining the full suite of information currently required to be collected under the Instrument. The costs and benefits to reporting organisations of a non-regulatory approach are also considered. Impacts, including the regulatory, social and economic implications associated with each option are outlined below.

## Option 1: No Change

This option maintains the existing reporting requirements, including the Schedule 2 requirements which are due to take effect from 1 April 2015.

Maintaining the existing requirements ensures the status quo for reporting employers as they have completed one year of reporting and in some cases have set up their systems to meet the requirements or established practices to report more efficiently for the 2014–15 reporting period and subsequent years. It is expected that the Agency will increase the support provided to employers through advice and online tools to reduce the impost of reporting by employers. Some employers have anticipated the introduction of Schedule 2 requirements and have set up their systems to be able to meet these requirements from 2015 onwards.

A further benefit of retaining the status quo is that, while difficulties in reporting have been experienced, reporting organisations will be able to build on the experience from the first year and efficiencies will be gained in subsequent years. It is likely that economies of scale will reduce the burden in subsequent years.

Analysis from the consultation process, however, shows that a large number of employers have raised concerns about the difficulty they had in providing accurate data for the workplace profile, and specifically the remuneration data (a copy of the workplace profile is **APPENDIX C**). This relates to calculating the aggregate annualised remuneration data and incorporating people employed on a casual, part-time and contract basis in the aggregate; finding an appropriate standard working week (particularly for independent contractors), and extracting the data from more than one payroll system. In experiencing these difficulties, employers report that they have provided information as best they can to represent their organisation, but raise doubt as to whether the data they, or other organisations provide, is robust enough for analysis or benchmark reports (i.e. to compare with other organisations). Employers are, therefore, questioning whether their effort will match the value, especially if the data is not representative of their business structure. Given the concerns employers have raised during the consultation process, and to the Agency, it is quite possible that much of the remuneration data will not be fit for purpose.

There is a risk that if employers believe their data is unreliable, they will question the usefulness of reporting and they might disengage from the process and/or actively criticise it. That is, employers might comply with the reporting requirement but not use any of the data to improve gender equality within their own organisations. Worse still, ongoing reporting that is not seen as beneficial could lead to a backlash of negativity against women employees, who may be seen as difficult or needing special treatment.

Employers have reported that sourcing the remuneration data and manipulating the data to fit into the occupational categories is very onerous and time consuming. This option places the greatest regulatory cost burden on employers. Feedback from the consultation process, through the Department’s online survey conversations with employers and submissions, shows that the impost of reporting varies considerably between businesses. Some reporting organisations estimated the cost of reporting was less than $100, while others estimated the cost to be $140 000. The median cost of reporting for the current requirements is estimated by the Department to be $1500.

The cost estimates of reporting from the consultation are based on reporting for the 2013–14 reporting period and do not include the additional requirements outlined in Schedule 2 due to commence in the 2015–16 reporting period. Based on advice from employers and internal analysis, the Department has estimated that the Schedule 2 components will more than double the impost of reporting on employers.

Should reporting remain unchanged, the average annual cost for reporting (commencing in the 2015–16 reporting period) is $19 million for the 4660 reporting employers, with an average per business cost of $4069.

The full consideration of this option has to include whether this option benefits not only women and employers but also other stakeholders, such as the business community, shareholders, the wider economic environment and social analysts. On balance, retaining the full component of reporting when it is often the case that it impinges on an employer’s resources, while delivering information that is not entirely fit for purpose, is not an efficient or effective way to improve gender equality in the workplace. While women’s advocacy groups support the collection of all data, collecting and acting upon unreliable data is counterproductive. To engage in the process, employers must have confidence in the end product.

It is for these reasons that maintaining the status quo is not recommended.

## Option 2: Streamline reporting requirements (significant removal of remuneration data and reduced Schedule 2 components)

This option includes maintaining much of the existing reporting requirements, while streamlining some reporting requirements from the workplace profile and removing much of the requirements from Schedule 2.

The proposed option seeks to reach a balance between ensuring the data collected is reliable and effective in driving gender equality change in the workplace, while being manageable for employers to report. In particular, this option retains the collection of the most important data (gender composition of the workforce by employment status, managers and non-managers, gender composition of non-managers by occupational categories, base and total remuneration data of management staff, reporting distance from the CEO, details of recruitment outcomes, availability and utilisation of flexible work arrangements, methods undertaken by employers to consult with employees on gender equality in the workplace and policies and practices to address sex-based harassment and discrimination) for supporting gender equity, which is also the least difficult for employers to obtain.

As discussed in Option 1, employers and industry representatives who participated in the consultation process expressed that much of the additional reporting requirements outlined in Schedule 2 and components of Schedule 1, specifically the workplace profile and the remuneration data, were likely to produce unreliable data that is not robust enough for analysis and ultimately is of little assistance for individual businesses to use in working towards workplace gender equality. Employers have also indicated that these elements of reporting are too onerous to collect and manipulate in accordance with the reporting format.

This proposal will retain reporting on remuneration for managers only and remove reporting on remuneration for all non‑manager employees. Evidence from the consultation process, and from the Agency, suggests that some of the remuneration data being collected might be poor quality, when categorised by the non-manager occupational categories it is too broad, of limited value to employers and difficult to obtain. For many reporting employers, payroll data must be extracted from multiple payroll systems that then requires significant manipulation to provide annualised full-time equivalent figures. This high level of manipulation is both time consuming and costly.

The alternative to removing the remuneration data is to increase the number of non-manager categories to make the data more accurate and meaningful, however this will impose an even greater reporting burden on employers. Whether or not this would provide more effective data has not been tested.

Requiring employers to expend large amounts of time and resources to collect data that might not be reliable or useful for their own analysis, or in providing comparisons with other organisations, is counterproductive and could result in employers disengaging from the entire reporting process. In effect, it could undermine the goodwill many employers have expressed during the consultation that they are supportive of gender equality and see well-targeted gender reporting as a worthwhile activity.

A cost of this proposal is that removal of remuneration data for employees in non-manager categories will mean that gender pay gap data for the sector of the workforce in which many women are currently employed will no longer be collected through this mechanism. Current data collected by the Australian Bureau of Statistics (ABS) will continue to provide analysis of the gender pay gap on an aggregate national scale but will not provide data on individual businesses. This option recognises that improvements in pay equity in individual businesses will more likely occur when employers actively undertake their own gender pay gap analysis of non-manager employees. Under the educational role of the Agency an increased effort has been made recently to provide employers with tools to undertake their own pay gap analysis. The Agency’s pay gap resources will help employers identify pay inequality and take practical steps for improvement, without the need to provide the remuneration data to the Agency.

This option also recognises that the largest gender pay gaps generally occur at management levels and that looking at management remuneration is a good first step to a gender pay gap analysis. Reporting on the number of employees by manager and non-manager occupational categories remains largely the same under this option. While employers provided feedback that reporting on occupational categories was difficult, much of this difficulty derived from the intersection between the remuneration data and occupational categories. If employers are no longer required to provide data on remuneration for non-managers, much of this difficulty is removed.

Many of the submissions from the women’s groups and alliances emphasised the need to address the gender pay gap and linked the collection of the remuneration data and efforts to address the gender pay gap. A National Centre for Social and Economic Modelling (NATSEM) study estimates that the gender pay gap costs the Australian economy $93 billion each year.[[8]](#footnote-9) There is no evidence, however, that reporting on employee remuneration by the occupational categories will be effective in reducing the pay gap, particularly if employers believe that the data provided is unreliable. Again, more effective tools to reduce the pay equity in individual businesses are the gender pay gap tools provided on the Agency website.

Additional reporting requirements as outlined in Schedule 2 of the Instrument, which are due to take effect from 1 April 2015, will also be reduced. It is clear from the evidence provided by employers that many employers will have difficulty in meeting much of the delayed reporting requirements. Of particular concern was the information required on the components of total remuneration and the recruitment (specifically applications and interviews) data. This information would be particularly cumbersome to collect and report on while not necessarily being particularly robust.

The additional data on the components of salary are likely, as are the non-manager remuneration data, to be of poor quality and difficult to obtain. As well, this requirement is redundant for non-mangers if no remuneration data is collected.

As information on appointments, promotions and resignations is more easily accessible for employers and the data is highly comparable and, therefore, quite robust, it is proposed that the collection of this information be maintained.

In the case of reporting on the number of employees who have returned to work from parental leave, and the number of requests and approvals for extended parental leave, there is support for measuring return to work rates for employees who have been on parental leave. It is clear that the question on requests for, and approvals of, extensions to parental leave is complicated and will not result in useful information. This is because many parents extend parental leave with other types of leave, making it difficult to track.

In addition, provisions for capturing data about requests for and extensions to parental leave are available through other mechanisms. Under s653(1) of the *Fair Work Act 2009* (Fair Work Act), the General Manager of the Fair Work Commission must conduct research into the operation of the provisions relating to requests for extensions of unpaid parental leave under s76(1) of the Fair Work Act. The research must examine the circumstances in which employees make such requests, the outcome of such requests and the circumstances in which such requests are refused. The review and research must be conducted every three years. The inaugural report, *General Manager’s report into the operation of the provisions of the National Employment Standards relating to requests for flexible working arrangements and extensions of unpaid parental leave 2009–2012* was published by the Commission in November 2012 and deals with research relating to the period 1 January 2010 to 30 June 2012.

The current Paid Parental Leave scheme provides two payments: Parental Leave Pay and Dad and Partner Pay. Parental Leave Pay provides eligible working parents (usually birth mothers) with up to 18 weeks’ pay at the rate of the National Minimum Wage, currently $641.05/week (before tax; at 2014). Dad and Partner Pay provides eligible working fathers or partners with up to two weeks’ pay at the rate of the National Minimum Wage. The Government has committed to introducing a new, expanded Paid Parental Leave scheme from 1 July 2015. Eligible parents from that date will be able to receive 26 weeks of payment at a rate based on their wage or the national minimum wage (whichever is greater) – up to an amount of $50,000 during the 26 week period, plus superannuation at the superannuation guarantee rate. This will provide women with even greater flexibility to combine work with family and continue their career and optimise retirement savings. Fathers and other partners may be eligible for two out of the 26 weeks for dedicated paternity leave.

This proposal acknowledges that gender reporting supports workplace gender equality and aims to create a balance between the effort of employers reporting and the value that is gained for that effort. Adopting this option is likely to be supported by the stakeholder groups most directly affected by the requirements of the Act and the Instrument. Reporting employers and peak employer organisations will support the reduction of the elements of reporting that are not reliable and that are often time consuming to gather and report to the Agency. While the preference for many women’s advocacy groups is to not reduce reporting requirements, there is recognition by some groups that some components of reporting could be streamlined. Retention of remuneration data for managers will likely be supported by these stakeholders. They are not likely to support however the removal of remuneration data for non-managers. Importantly, educational activities by the Agency focus on the importance of employers undertaking a gender pay gap analysis. The changes to Schedule 2 were canvased with key stakeholders at roundtable meetings and generally received support from participants.

This option retains the collection of valuable, gender-specific information to support businesses to address gender inequality where it exists. At the same time, this option removes the elements of reporting that are most likely to produce unreliable data. The evidence that formal reporting requirements have a measurable effect is small. Reporting does however create an environment in which individual businesses can assess their own organisation using data collected for that purpose. To fully assess the impact on workplace gender equality, it will be necessary to track the effectiveness of the reporting requirements for a period of time. This is the recommended option.

Overall, the reduction in the cost of reporting is estimated to be about 60 per cent, with the estimated annual average cost to business being $7.5 million and an annual average per business cost of $1599.

### Regulatory Burden Estimate Table

#### Average Annual Compliance Costs (from business as usual)

| **Costs ($m)** | **Business** | **Community Organisations** | **Individuals** | **Total Cost** |
| --- | --- | --- | --- | --- |
| **Total by Sector** | -$9.4 | -$2.1 | $0 | -$11.5\* |

| **Cost offset ($m)** | **Business** | **Community Organisations** | **Individuals** | **Total by Source**  |
| --- | --- | --- | --- | --- |
| **Agency**  | $ | $ | $ | $ |
| **Within portfolio** | $ | $ | $ | $ |
| **Outside portfolio** | $ | $ | $ | $ |
| **Total by Sector** | $ | $ | $ | $ |

Proposal is cost neutral? 🗆 yes ✓ no

Proposal is deregulatory ✓ yes 🗆 no

Balance of cost offsets **-$11.5 m**

*\*This figure represents the estimated regulatory savings to businesses of adopting Option 2 compared to the status quo (Option 1). This means the difference between the cost of current requirements of $19 million less the estimated $7.5 million cost of reporting under Option 2*

## Option 3: Streamline reporting requirements (minimal salary data and removal of significant elements of Schedule 2)

This option is the ‘minimal change’ option.

Specifically this option includes:

* removing the requirements to report only on:
	+ remuneration data for CEOs, and casual managers
	+ components of Schedule 2, including the additional components of total remuneration, the applications and interview data, and the number of requests and approvals for extended parental leave.
* retaining reporting on remuneration for most manager categories (except for CEOs and casual managers) and all non-manager categories.
* retaining Schedule 2 reporting requirements on appointments, promotions and resignations and the number of employees who have returned to work from parental leave.

It differs from Option 2 above in that it retains reporting requirements for remuneration data for non-managers.

While employers have been vocal about the difficulties they have had with reporting, submissions and feedback from women’s organisations and the non-business sector strongly support the existing reporting regime and emphasise the economic gain associated with increased female workforce participation. As well, given the recent interest in the pay gap, these stakeholders generally did not support the removal of any remuneration data, other than the CEO data. As mentioned previously, many of the submissions from women’s groups and alliances emphasised the need to address the gender pay gap, and linked the collection of the remuneration data and efforts to address the gender pay gap.

The non-business sector claims that, despite the difficulties experienced by employers in the first year of reporting, efficiencies will occur in subsequent years so that employers will have, with the help of the Agency, systems, practices and IT tools to extract remuneration data more easily and routinely.

Employers have said that providing CEO remuneration data is not considered by employers to be onerous, though they have raised privacy concerns about disclosing this information within the organisation. Removing the requirement to report on CEO remuneration is almost universally supported by all stakeholders. Removing the requirement to report on managers employed on a casual basis is expected to have minimal to no impact, as it is unlikely that there are many managers employed on a casual basis.

Reducing much of the Schedule 2 requirements addresses concerns raised by employers about the difficulties expected in reporting on Schedule 2 as set out in Option 2.

This option retains the majority of remuneration data required under Schedule 1, and it is likely to continue to cause concerns for employers due to the lack of reliability and effectiveness of the data as well as the ongoing difficulties and time imposts in providing the data annually. The resources of the Agency will be directed to help employers access this data more easily and consistently. While this option provides some streamlining, it retains a significant impost to reporting employers and retains the collection of unreliable remuneration data for non-managers. The collection of this unreliable data distracts employers from more effective initiatives to improve gender equality in their workplace which in turn supports the broader social and economic outcomes such as increasing women’s workforce participation and reducing the gender pay gap. This option is, therefore, considered the third most preferable option.

The Department estimates that average annual cost to all businesses for this option will be $12.1 million, with an annual per business cost of $2586.

### Regulatory Burden Estimate Table

#### Average Annual Compliance Costs (from business as usual)

| **Costs ($m)** | **Business** | **Community Organisations** | **Individuals** | **Total Cost** |
| --- | --- | --- | --- | --- |
| **Total by Sector** | -$5.7 | -$1.2 | $0 | -$6.9\* |

| **Cost offset ($m)** | **Business** | **Community Organisations** | **Individuals** | **Total by Source**  |
| --- | --- | --- | --- | --- |
| **Agency**  | $ | $ | $ | $ |
| **Within portfolio** | $ | $ | $ | $ |
| **Outside portfolio** | $ | $ | $ | $ |
| **Total by Sector** | $ | $ | $ | $ |

Proposal is cost neutral? 🗆 yes ✓ no

Proposal is deregulatory ✓ yes 🗆 no

Balance of cost offsets -$6.9 m

*\*This figure represents the estimated regulatory savings to businesses of adopting Option 3 compared to the status quo (Option 1). This means the difference between the cost of current requirements of $19 million less the estimated $12.1 million cost of reporting under Option 3*

## Option 4: Streamline reporting requirements (remove all Schedule 2 requirements)

This option can be viewed as the least obtrusive option, as it proposes the removal of reporting requirements that have not yet been introduced.

Specifically, this option includes:

* removing all the reporting requirements set out in Schedule 2
* retaining all the current reporting requirements that are set out in Schedule 1.

The complete removal of Schedule 2 from reporting requirements is supported by a large number of stakeholders. As the requirements have not been introduced, these elements are the easiest to remove.

The benefit of the removal of Schedule 2 is that employers will not have to invest resources into collecting the data, which is expected to be extremely onerous. As outlined in Option 3, the resources of the Agency will be directed towards assisting employers to complete the elements of reporting that had proven to be difficult in the 2013–14 reporting period.

Under this option, significant data will continue to be collected through Schedule 1 to support organisations to consider and improve gender equality. While data about recruitment processes and outcomes, return to work and requests for extensions for parental data will not be collected, all six Indicators will continue to be reported against as set out in Schedule 1 of the Instrument. The disadvantage of this option is that elements of unconscious bias in recruitment practices will not be as evident to organisations without the collection of recruitment data.

This option retains the existence of a significant data set that will assist employers to assess gender equality within their own organisation and that of peers while reducing the burden of reporting. In addition, it is the easiest option to implement as it removes the need for employers to start providing information they have not previously had to provide. It does, however, retain the requirement for employers to collect remuneration data for all employees, including for non‑managers. This information however has been established as being difficult to provide and unreliable for analysis and, therefore, not useful in improving gender equality in the workplace and the broader social and economic outcomes, such as increasing women’s workforce participation and reducing the gender pay gap. It is considered the second best option.

The Department estimates that the average cost of all business of this option to be $9.6 million, with an average annual per business cost of $2052.

### Regulatory Burden Estimate Table

#### Average Annual Compliance Costs (from business as usual)

| **Costs ($m)** | **Business** | **Community Organisations** | **Individuals** | **Total Cost** |
| --- | --- | --- | --- | --- |
| **Total by Sector** | -$7.7 | -$1.7 | $0 | -$9.4\* |

| **Cost offset ($m)** | **Business** | **Community Organisations** | **Individuals** | **Total by Source**  |
| --- | --- | --- | --- | --- |
| **Agency**  | $ | $ | $ | $ |
| **Within portfolio** | $ | $ | $ | $ |
| **Outside portfolio** | $ | $ | $ | $ |
| **Total by Sector** | $ | $ | $ | $ |

Proposal is cost neutral? 🗆 yes ✓ no

Proposal is deregulatory ✓ yes 🗆 no

Balance of cost offsets **-$9.4 m**

*\*This figure represents the estimated regulatory savings to businesses of adopting Option 4 compared to the status quo (Option 1). This means the difference between the cost of current requirements of $19 million less the estimated $9.6 million cost of reporting under Option 4*

## Option 5: Remove all reporting requirements

This option is the ‘non-regulatory’ option.

Specifically, this option includes removing all the reporting requirements set out in the Instrument and the Act. This option removes the requirement for relevant employers to report to the Agency.

The Instrument would need to be repealed and the Act would need to be amended to remove reporting obligations. The option will remove the impetus for employers to challenge practices based on unconscious bias. The option does not support the social or economic goals of improving gender equality in the workplace, reducing the gender pay gap and increasing productivity for individual business or the economy more broadly. This option is also contrary to stated Government policy.

By removing the reporting requirements altogether, improvement on gender equality in the workplace might stall or decrease and any changes by individual businesses or on an organisation‑wide level will be difficult to measure.

This is regarded as a ‘non-regulatory’ option as it removes all regulation in relation to gender reporting. Due to the requirement to amend the Act and repeal the Instrument however, it might not be possible to fully remove the reporting burden for relevant employers for the 2014–15 reporting period. If this scenario occurs, then the reporting requirements would remain in place for the 2014–15 period. If repeal of the Instrument and amendments to the Act are in place for the 2015–16 reporting period, the compliance cost to all businesses from the year of adopting this option and each subsequent reporting period is $0.

This option was tested during the first consultation the Department conducted with key stakeholders in early 2014 on the reporting requirements. The outcome from that process was that the Government announced a public consultation that would look at opportunities to streamline and improve the reporting requirements. The Government also publicly committed to retaining the current gender reporting framework set out in the Act and that employers with more than 100 or more employees would continue to be required to report annually.

Given that the Government committed to retaining gender reporting, this option is not viable.

### Regulatory Burden Estimate Table

#### Average Annual Compliance Costs (from business as usual)

| **Costs ($m)** | **Business** | **Community Organisations** | **Individuals** | **Total Cost** |
| --- | --- | --- | --- | --- |
| **Total by Sector** | -$15.6 | -$3.4 | $0 | -$19\* |

| **Cost offset ($m)** | **Business** | **Community Organisations** | **Individuals** | **Total by Source**  |
| --- | --- | --- | --- | --- |
| **Agency**  | $ | $ | $ | $ |
| **Within portfolio** | $ | $ | $ | $ |
| **Outside portfolio** | $ | $ | $ | $ |
| **Total by Sector** | $ | $ | $ | $ |

Proposal is cost neutral? 🗆 yes ✓ no

Proposal is deregulatory ✓ yes 🗆 no

Balance of cost offsets **-$19 m**

*\*This figure represents the estimated regulatory savings to businesses of adopting Option 5 compared to the status quo (Option 1). This means the difference between the cost of current requirements of $19 million less the estimated $0 cost of reporting under Option 5*

# Consultation

On 25 March 2014, Senator the Hon. Eric Abetz, Minister for Employment, and Senator the Hon. Michaelia Cash, Minister Assisting the Prime Minister for Women, announced a public consultation process on reporting requirements.

Since May 2014, the Department has led the public consultation process, in collaboration with the Office for Women within the Department of the Prime Minister and Cabinet. The purpose of the consultation was to identify opportunities to streamline reporting requirements to ensure gender reporting drives results in the workplace and represents value for effort.

While all stakeholders were encouraged to provide input to the consultation process, the Department wanted to hear from reporting organisations about their experiences of reporting. Understanding how employers directly experienced requirements under the Act was also critical to inform the broader consultation process. The consultation process included a specific focus on seeking feedback from employers regarding their recent experiences of reporting, as well as analysis of the reporting requirements and data to ensure that the end data is relevant and meaningful for employers. To gather this information, the Department invited stakeholders to provide feedback or make a formal submission. Formal submissions were to be lodged with the Department by 30 September 2014. The Department also created a short survey designed for employers who had valuable feedback but might not have had capacity to provide a written submission. The survey was open from 15 May 2014 to 31 July 2014. In addition, Departmental and the Agency officers met with 18 reporting organisations to discuss their individual feedback in relation to the reporting requirements.

## Consultation learnings

The Department created a web presence on the *employment.gov.au/genderreportin*g website for the public consultation process. The webpage provided an opportunity for interested parties to provide feedback to the consultation process through guided questions on their experience of collecting data for reporting purposes.

The Department wrote to all stakeholders (including reporting organisations, academics, industry peak bodies, women’s groups and other relevant peak bodies) with information on the consultation process, how they could be involved (including information on the web page) and the information being sought.

Links to the webpage were provided on Business.gov.au; the Office for Women page on the Department of Prime Minister and Cabinet website; and the Agency website. The webpage was in operation from May 2014, with submissions accepted until the end of September 2014. The Department also accepted some late submissions.

Throughout the consultation process, the Department liaised with the Agency to determine the feedback the Agency was receiving from employers about reporting, the integrity of the data received and the implications for implementation of the policy options being considered. In addition, the Department consulted research and data experts within government, including the Australian Bureau of Statistics and the Australian Tax Office, to explore opportunities for utilising gender‑related data already collected by government agencies and possible options for streamlining the data collection.

From late September 2014, the Department engaged with stakeholders on possible options for improving the reporting requirements as set out in the Instrument, and derived from analysis of the feedback received through the consultation process.

### Employer survey

As mentioned above, the short survey was made available for organisations that did not have the capacity to make a full submission. The survey was open between 15 May and 31 July 2014.

* Five hundred and twenty-three valid responses were received. Employers with 101‑300 employees made up 38 per cent (the highest proportion) of survey respondents.
* Employers identified total remuneration, manager occupational categories and non-manager occupational categories as the hardest questions to answer. This was due to the manual process of classifying the entire workforce into categories, definitions that were not clear or subjective, complex reporting lines, and that the report was not tailored to suit organisations with multiple business units. These issues are all related to the workplace profile.
* Employers found the questionnaire easier to complete, including the questions on flexible working arrangements and the gender composition of the workforce (questions on policies that support gender equality) and paid parental leave. This is because the multi-choice format was simplier, the data was easily accessible, and the questions were straightforward and aligned with the National Employment Standards.
* Employers were asked about the cost of reporting and responses ranged from less than $100 to $140 000. The median cost of reporting of the current requirements is estimated by the Department to be $1500.
* Many employers (78 per cent of employers that answered the question) reported that they were unhappy with some part of the additional Schedule 2 reporting requirements, and more than half (54 per cent) indicated it would be difficult or very difficult to report on the additional Schedule 2 reporting requirements. Only a few employers (9 per cent) advised that it would be relatively easy to provide the additional information.

### Submissions

Submissions closed on 30 September 2014, and 42 submissions were received, of these 28 organisations agreed to their submission being published on the Department’s website (25 public and three anonymous). These public submissions have been lodged by a range of stakeholders including reporting employers, industry groups, women’s organisations and gender equality advocates, unions and academics. An overview of the issues raised is below:

* The majority of the submissions indicated that, while they were generally supportive of gender equality initiatives, the current reporting requirements require revision.
* A small number of submissions contend that, in its current form, gender reporting is not onerous for business.
* The most frequently reported concerns raised by reporting organisations and employer representatives relate to difficulties in extracting annualised, full-time equivalent remuneration data, reporting against the manager and non‑manager categories, technical problems relating to the AUSKey or online reporting, and the additional impost of Schedule 2 requirements that are currently due to commence in the 2015–16 reporting period (commencing 1 April 2015).

A full summary of the 28 public submissions and an overview of additional issues raised in private submissions is at **APPENDIX D**.

### Email feedback

Eleven emails were received by the gender reporting consultation team providing feedback on issues consistent with those raised in both the survey and the submissions.

### Employer conversations conducted by the Department

The Department conducted 18 direct conversations with a number of reporting organisations to hear about their reporting experiences in detail. The employers were selected for their diversity in size, structure and industry. The Agency also attended most of the meetings.

The majority of employers supported workplace gender equality objectives and wanted to improve their workplace gender equality performance. While they expressed broad support for gender equality objectives, many were not convinced that the current reporting requirements were the best way to meet those objectives.

* In general, the issues raised are consistent with those already identified through the surveys, and submissions feedback.
* Key concerns included classifying managers and non-managers into the categories provided.
* Employers also reported difficulties in annualising base salary and total remuneration, particularly if there were high numbers of casual or part-time staff, or if staff worked irregular hours. Employers indicated that reporting on base salary alone was easier than reporting on total remuneration.
* During the employer meetings, most employers believed that the benchmark reports would be useful. Those who did not held this view because of their concerns regarding the reliability and validity of remuneration and occupational category data, as they felt the data they provided did not really reflect their organisation.
* Employers also commented on the time taken to prepare the report, which ranged from four hours to over six weeks.

### Stakeholder consultation sessions

In late September 2014, roundtable meetings were held with gender equality advocates and industry representatives. The discussions included the feedback collected from the consultations to date and potential options to improve the effectiveness of reporting requirements.

At these meetings, representatives were presented with possible options to change reporting requirements. The meeting representatives were able to confer with their members and provide further feedback to the Department if they chose. Some of the submissions submitted to the Department specifically addressed issues discussed during these meetings.

**Other Government agencies**

Throughout the consultation process the Department liaised with the Agency to capture the feedback the Agency was receiving from employers about reporting, the integrity of the data received and the implications for implementation of the policy options being considered. The Agency also participated in most of the employer meetings and the stakeholder consultation meetings.

In addition, the Department consulted research and data experts within government, including the Australian Bureau of Statistics and the Australian Tax Office, to explore opportunities for utilising gender‑related data already collected by government agencies and possible options for streamlining the data collection.

The Department also consulted regularly with the Office for Women. The consultation process was prepared in collaboration with the Office for Women and a representative participated in the roundtable meetings with the gender equality advocates and some of the industry representatives.

# Recommended Option

Option 2: Streamline Reporting Requirements (significant removal of remuneration data and reduced Schedule 2 components) is the best option for ensuring the reporting requirements represent best value for effort, obtains robust data and drives change. This decision is based on the evidence from employers on their experience and the recommended option addresses many of the major concerns raised by employers. It also meets all the identified objectives of reporting in that it:

* strikes a balance between the effort of reporting and the benefits gained for organisations
* provides individual organisations with information to assist in analysing gender equality in their organisations
* provides data that enables organisations to reliably compare their gender equality performance with other like organisations
* collects core elements of workplace gender data to inform individual organisations, benchmark reports and helps identify where educational priorities of the Agency should be focused.

This option also strikes a balance between employer concerns and the non-business sector’s call for even more reporting.

# Implementation and Review

The recommended option requires legislative changes to the Instrument. For the changes to take effect, an amendment to the Instrument (which would be a disallowable legislative instrument) must be signed by the Minister for Employment and registered on the Federal Register of Legislative Instruments before 1 April 2015. While a disallowable period will be in place until 15 sitting days (for both houses) has elapsed, the effect of the amended Instrument will be to change the reporting requirements for the 2015–16 reporting period. The reports for this period would be due to the Agency following the completion of the reporting period on 31 March 2016.

The Agency is responsible for administering the Act and Instrument and it will be required to make changes to reporting templates and systems to ensure that the amendments are implemented as well as informing relevant employers of the revised requirements.

In addition, the Agency will review processes and educational material to assist employers to report against the requirements with as much ease as possible.

**Review**

The 2011 RIS for the ‘Reform of the *Equal Opportunity for Women in the Workplace Act 1999’* set a review of the legislation for 2015–16 to examine: whether the problem of gender inequality in the workplace was adequately identified and estimated in the original assessment; the impact that government intervention has had on increasing gender equality; and whether intervention is still appropriate.*[[9]](#footnote-10)*

Since the legislation is under review before 2015–16, it is proposed that a post-implementation review be conducted in 2018–19, or within three years of the proposed changes being implemented.

Appendix A – Schedule 1 and 2 Reporting Requirements

| **Gender Equality Indicators**  | **Schedule 1– reporting requirements** | **Schedule 2 – additional reporting requirements** |
| --- | --- | --- |
| Indicator One: Gender composition of the workforce | Provide data by gender:* on the employment status of part-time, full-time, permanent, casual, and contract employees
* on the occupational categories of manager and non-manager in the workplace.

Report on whether the organisation has strategies or policies in place that support gender equality including, for example: gender‑based employee networks; targeted gender-based programmes relating to recruitment, retention or development; key performance indicators for managers relating to gender equality; or special measures to support women or men working in a non-traditional occupation or industry. | Provide data by gender:* on the composition of applications for recruitment exercises, interviewees and successful applicants appointed to positions by manager/non-manager status
* on the number and proportion of employees awarded promotions by employment status, and by manager/non-manager status
* on the number and proportion of employees who have resigned by employment status and by manager/non-manager status.
 |
| Indicator Two: Gender composition of governing bodies of relevant employers | Report on:* whether the organisation has a governing body and, if so, provide information about the gender profile of the governing body.
* whether the organisation has any targets in place in relation to the gender composition of its governing bodies and whether there is a formal, merit-based plan or strategy for selecting members.
 | No additional reporting requirements apply. |
| Indicator Three: Equal remuneration between women and men | Report on the following disaggregated remuneration data by gender and occupational category: * annualised average full-time equivalent base salary
* annualised average full-time equivalent total remuneration (total remuneration includes: base pay; discretionary pay; bonus payments; performance pay; overtime; and other allowances).

Provide information as to whether a remuneration policy or strategy is in place and, if so, whether this policy or strategy includes any gender pay equity objectives. Indicate whether an analysis of any gender remuneration gap has been undertaken, when the analysis was undertaken and the actions taken as a result of any such analysis. | Provide disaggregated data by gender on:* annualised average full-time equivalent components of total remuneration (the components include: base pay; discretionary pay; bonus payments; performance pay; overtime and other allowances).
 |
| Indicator Four:Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities | Report on:* whether employer-funded paid parental leave is available for primary and secondary carers, in addition to any government‑funded paid parental leave
* the number of employees, by gender and manager/non‑manager, who have utilised parental leave arrangements
* the proportion of the workforce who has access to employer‑funded paid parental leave for primary and secondary carers
* the method and quantum of the provision of paid parental leave for primary carers and secondary carers (for example, paying the gap between government‑funded leave and salary, paying full salary, or making a lump sum payment)
* provide information as to whether formal policies or strategies are in place for flexible working arrangements as well as identifying those arrangements
* provide information as to whether formal policies or strategies are in place to support employees experiencing domestic violence.
 | * provide data on the number of employees returning to work from parental leave by gender and by manager/non-manager
* provide data on the number of requests and approvals for extended parental leave by gender and by manager/non-manager status.
 |
| Indicator Five: Consultation with employees on issues concerning gender equality in the workplace | Report on:* whether consultation with employees on matters relating to gender equality has been undertaken
* the mode of that consultation
* the categories of employees consulted.
 | No additional reporting requirements apply. |
| Indicator Six: Sex-based harassment and discrimination | Report on:* any sex-based harassment and discrimination prevention strategy or policy in place and, if so, whether it includes a grievance process
* whether the organisation conducts training for managers on sex-based harassment and discrimination and, if so, the frequency with which training is offered to managers.
 | No additional reporting requirements apply. |

# **Appendix B –** The Economic and Business Case for Improving Gender Equality in the Workplace

Gender equality is achieved when people are able to access and enjoy the same rewards, resources and opportunities regardless of whether they are a woman or a man. As the OCED states it is ‘about fairness and equity and includes many political, social and cultural dimensions’[[10]](#footnote-11). The aim of gender equality in the workplace is to achieve broadly equal outcomes for women and men.

Gender equality within the workplace not only benefits women but also benefits stakeholders, corporations, investors, society and the economy. In short, there is a social, business and investment case that supports efforts to achieve gender equality in the workplace.

There are two main areas for improvement when looking at gender equality in the workplace – increasing the workforce participation of women (in terms of engagement, hours worked and career progression) and closing the gender pay gap.

## Increasing women’s workforce participation

Women’s workforce participation in Australia has grown significantly over the past few decades. In the past decade, however, growth in women’s participation has slowed (Figure 1).



Source: ABS Cat 6202.0 Labour Force, Australia, April 2014

Women’s workforce participation rates are also consistently lower than rates for men, and are lower compared with similar OECD countries (Table 1).

**Table 1: International comparison – Australia and OECD female labour force participation rates 2013**

| Age group | % of women in this age range participating in the labour market | Rank\*- relevant ranking of female participation compared to OECD countries |
| --- | --- | --- |
| 15-64 years | 70.5 | 13 |
| 15-24 years | 66.3 | 4 |
| 25-54 years | 75.8 | 25 |
| 55-64 years | 55.8 | 14 |

*\*Out of 34 OECD Countries. Source: OECD Employment Outlook, Paris, 2014.*

### Economic benefits of increasing women’s workforce participation

Increasing the rate of participation for women is good for the Australian economy. The Grattan Institute has estimated that if 6 per cent more women entered the paid workforce, this would increase the size of the Australian economy by about $25 billion per year.[[11]](#footnote-12) The OECD also recently estimated that Australia could increase its average annual growth in GDP per capita from 2.0 per cent to 2.4 per cent if the labour participation gap between men and women was reduced by 75 per cent.[[12]](#footnote-13)

A recent report by Credit Suisse Research Institute finds that gender diversity within corporations coincides with greater financial performance and higher stock market valuations. The research is unable to determine the cause of this relationship. For example, do high performing companies employ more women, do women choose to work for more successful companies or do women themselves help improve companies’ performance? The research is able to show however that diversity in decision making, particularly at management level, has an influence on corporate performance. Further, the research shows that companies with higher levels of gender diversity within the board have better stock market returns as well has higher returns on equity, higher valuations and higher payout ratios. The researchers identify that the three main impediments to gender diversity in the workplace are: cultural bias, workplace related biases and structural and policy issues.[[13]](#footnote-14)

Gender equality in the workplace also impacts on Australia’s productivity. In a 2009 report, Goldman Sachs noted that the traditionally higher levels of productivity for men compared to women is due to women being more likely to work in low-productivity sectors, such as health care and clerical roles, and a tendency to work in part-time roles. This is not consistent however with women’s higher educational attainment, Goldman Sachs concluded that policies aimed at directing women to join more productive sectors would significantly reduce any differences in productivity by gender, as well as having an impact on national economic activity.[[14]](#footnote-15)

### Closing the gender pay gap

In Australia, the gender pay gap has persistently remained at about 17 per cent. Recent years, however, have been marked by a noticeable trend upwards and the current gap sits at 18.2 per cent (Figure 2).[[15]](#footnote-16)

Figure 2 Weekly and Hourly Gender Pay Gap



Weekly Gender Pay Gap is based on Average Weekly Ordinary Time Earnings for full-time adults, trend data sourced from ABS *Average Weekly Earnings* publication (Cat No 6302.0), latest data available. Hourly pay gap is calculated (by Department of Employment) by dividing full-time adult average total weekly earnings, sourced from ABS *Average Weekly Earnings* publication (Cat No 6302.0), by the number of hours worked by full-time employees, aged 20 years and over in all industries except Agriculture, forestry and fishing for the relevant quarter. The hourly gender earnings ratio is the percentage of female average hourly earnings to male average hourly earnings.

The gender pay gap is a complicated issue and has many contributing factors. Research by NATSEM analysed the key determinants of the pay gap and found that significant contributors were industrial and occupational segregation (about 25 per cent) labour force history (7 per cent), under-representation of women with vocational qualifications (5 per cent) and under-representation of women in large firms (3 per cent).[[16]](#footnote-17) Tables 2 and 3 below indicate the wage difference between women and men in different occupations and industries.

**Table 2: Australian industry employment by gender, February 2014**

|  | **Males** (% of Industry Total) | **Females** (% of Industry Total) |
| --- | --- | --- |
| Agriculture, Forestry and Fishing | 70.9 | 29.1 |
| **Mining** | **85.2** | **14.8** |
| Manufacturing | 73.0 | 27.0 |
| Electricity, Gas, Water and Waste Services | 75.6 | 24.4 |
| **Construction** | **87.9** | **12.1** |
| Wholesale Trade | 65.0 | 35.0 |
| Retail Trade | 44.0 | 56.0 |
| Accommodation and Food Services | 45.7 | 54.3 |
| **Transport, Postal and Warehousing** | **77.1** | **22.9** |
| Information Media and Telecommunications | 61.4 | 38.6 |
| Financial and Insurance Services | 46.9 | 53.1 |
| Rental, Hiring and Real Estate Services | 53.8 | 46.2 |
| Professional, Scientific and Technical Services | 57.1 | 42.9 |
| Administrative and Support Services | 48.0 | 52.0 |
| Public Administration and Safety | 53.1 | 46.9 |
| **Education and Training** | **30.6** | **69.4** |
| **Health Care and Social Assistance** | **22.4** | **77.6** |
| Arts and Recreation Services | 54.3 | 45.7 |
| Other Services | 58.6 | 41.4 |
| Total | 54.4 | 45.6 |

*Source: ABS Labour Force, Australia Detailed, Quarterly, August 2014 (Cat No: 6291.0.55.003), original data.*

**Table 3 Gender pay gap by industry, full time ordinary earnings, May 2014**

| **Industry** | **Men** | **Women** | **Gap (%)** |
| --- | --- | --- | --- |
| Health care and social assistance | $1748.30 | $1211.00 | 30.7 |
| Financial and insurance services | $1943.40 | $1360.20 | 30.0 |
| Rental, hiring and real estate services | $1484.90 | $1054.10 | 29.0 |
| Professional, scientific and technical services  | $1893.60 | $1414.30 | 25.3 |
| Mining | $2585.20 | $1970.20 | 23.8 |
| Information, media and telecommunications | $1795.60 | $1445.90 | 19.5 |
| Construction | $1485.50 | $1206.20 | 18.8 |
| Administration and support services | $1388.70 | $1139.00 | 17.9 |
| Manufacturing | $1338.70 | $1110.20 | 17.1 |
| Transport, postal and warehousing | $1487.30 | $1248.40 | 16.1 |
| Wholesale trade | $1516.30 | $1289.90 | 14.9 |
| Arts and recreation services | $1385.00 | $1178.90 | 14.9 |

ABS *Average Weekly Earnings*, May 2014, cat. No. 6302.0

A lack of women in leadership and high-paying roles is also a contributing factor to the disparity in pay rates for women and men. In 2012, Australian women held only 9.7 per cent of the executive key management personnel positions in the ASX 200, and 9.2 per cent in the ASX 500. Six out of 10 ASX 200 companies did not have any female executive key management personnel.[[17]](#footnote-18)

The NATSEM report further shows that being a woman accounts for 60 per cent of the wage gap. Elements that are consistent with being a woman and contribute to the wage gap include workplace discrimination (through conscious or unconscious bias) and other differences between men and women (such as work preferences and women undertaking the greater share of unpaid work).[[18]](#footnote-19)

Unconscious bias can be one of the most intractable elements to address, simply because it is difficult for organisations to identify that a problem exists. The pervasive nature of unconscious bias was highlighted in recent comments by the CEO of Microsoft, Mr Satya Nadella, whereby Mr Nadella indicated that women who do not request salary advances have ‘good karma’ and that they should have ‘faith that the system will actually give you the right raises as you go along’[[19]](#footnote-20).

Another key factor to the gender wage gap is that it is often women who take time out of the workforce to fulfil caring responsibilities. There is a wage penalty effect with each year taken out of the workforce, which is compounded by the tendency to return to work part-time. In Australia, the wage penalty has been estimated to be about 4 per cent in the year a woman returns to work, growing to 9 per cent the following year and 12 per cent for the third year.[[20]](#footnote-21)

Closing the gender wage gap would have similar economic benefits to increasing women’s workforce participation. The NATSEM report found that if the gender wage gap was reduced by just 1 per cent, the economy would grow by 0.5 per cent. The gender pay gap of 17 per cent between working women and men costs the Australian economy $93 billion each year, equivalent to 8.5 per cent of GDP.[[21]](#footnote-22)

### Benefits to business of greater gender equality in the workplace

Creating workplaces that are more likely to attract and retain women is good for business. Fostering a workplace that promotes gender equality can do the following things:

### Attract the best employees

A workplace that is equally appealing for women and men will provide businesses with access to the entire talent pool. An organisation that is as attractive to women as it is to men will have a competitive advantage in attracting the best talent available. As women are increasingly more highly educated than men[[22]](#footnote-23), a workplace that is not attractive to women risks losing the best talent to competitors.

### Reduce the costs associated with staff turnover

Replacing a departing employee can cost up to 75 per cent or more of that person’s annual wage.[[23]](#footnote-24) Evidence suggests that organisations that foster gender diversity will support retention of staff.[[24]](#footnote-25) As both women and men are more likely to remain with an organisation they view as fair, employee turnover for an organisation offering gender equality can be reduced, thereby decreasing the high expense of recruitment.

### Enhance organisational performance

A considerable body of research suggests, and as discussed earlier, there is a clear link between gender equality and better organisational performance. While there is a range of reasons to explain this link, one factor is that diversity brings together varied perspectives, produces a more holistic analysis of the issues an organisation faces and spurs greater effort, leading to improved decision making.[[25]](#footnote-26) Diversity has been shown to improve performance at the board, executive and workplace level.[[26]](#footnote-27)

### Conclusion

In Australia, women are less likely to participate in the workforce than men, and when they do, they continue to earn less than men and are less likely to advance their careers as far as men. However, reducing gender inequality in the workplace is good for women, good for business and good for the economy overall. Taking steps towards achieving gender equality will mean that workplaces provide equal remuneration for women and men for work of equal or comparable value, that barriers to full and equal participation are removed, that women and men have full and genuine access to all occupations and industries including to leadership roles, and discrimination on the basis of gender in relation to family and caring responsibilities for both women and men will be eliminated. These are all possible, but the persistence of a gender pay gap and the proportionally lower levels of women in the workforce mean that employers and government both have a role to play in ensure barriers to working are removed for women.

Appendix C – Workplace Profile 



# Appendix D **–** Summary of Submissions

| Organisation | Issues raised in submission |
| --- | --- |
| Australian Chamber of Commerce and Industry | * Recognises the importance of promoting gender equality in the workplace and that gender reporting plays a role in measuring progress on this issue.
* Supports streamlining of the current requirements due to the increased regulatory burden.
* Many employers do not have sophisticated human resource information systems or a coordinated approach to collect data, so a manual process is required.
* Supports streamlining of the management categories.
* Supports simplification and clarification of annualised full‑time equivalent total remuneration.
* Supports further deferral of the reporting requirements to allow for analysis of 2013–14 reporting data.
 |
| Australian Federation of Employers and Industries | * Considers the current reporting framework to impose an unacceptable regulatory burden on employers.
* Manually collating remuneration data took considerable time and effort.
* Supports the removal of Schedule 2 requirements.
* Expressed disappointment that previous attempts to streamline gender reporting were unsuccessful.
 |
| Australian Financial Markets Association | * Generally supportive of the functions of the Agency.
* Raises a concern about the lack of opportunity to explain differences in pay on the basis of different work (e.g. staff that undertake support roles and those that generate revenue).
* Raises concerns about inconsistencies in the data by annualising casual staff rates or that of staff that are located overseas for some period in the reporting period.
* Raises concerns about the difficulties in obtaining the additional Schedule 2 data requirements.
* Mapping staff to occupational categories was complex and time consuming.
* Raises a concern about the limitations of the ANZSIC codes and questions the consistency of the benchmark reports using these industry codes.
 |
| Australian Higher Education Industrial Association | * Supportive of nationwide data and benchmarking, but reporting is time consuming and done in addition to internal gender equality reporting.
* Total remuneration data was difficult and time consuming to compile.
* Highlighted difficulties with AUSkey.
 |
| Australian Industry Group | * Supports workplace gender equality and maintenance of an appropriate reporting system.
* Members state that the reporting requirements are very onerous and take a long time to complete (usually more than three days).
* Reporting burden would be reduced if remuneration data were required for only managers and either base or total salary were reported on, not both.
* Supports further referral of Schedule 2 requirements.
 |
| Australian Private Hospitals Association | * Supportive of gender equality but reporting is extensive and onerous.
* Prefers reporting is reduced to every two to four years.
* Suggest a greater emphasis is made to report by industry so outcomes are more useful for comparison and analysis.
* Schedule 2 components will be more onerous and time consuming, especially with regards to recruitment data.
 |
| Australian Public Transport Industrial Association | * Raises concerns that the time impost is high, particularly due to gathering the remuneration data.
* Raises difficulties with AUSkey.
* Notes that occupational categories are restrictive.
 |
| Calvary Christian College | * Data was easy to collect, although it took about three days to report.
* Would like to see the process simplified.
* Online reporting was easier than previous years.
* Noted difficulties in using the AUSkey.
 |
| Chamber of Commerce and Industry of Western Australia | * Supports the submission filed by the Australian Chamber of Commerce and Industry.
 |
| Chamber of Commerce and Industry Queensland (CCIQ) | * Supports objectives of the Act, but strongly opposes reporting obligations for businesses.
* Recommends reporting requirements be removed entirely or significantly reduced.
* Business told CCIQ that they often have to dedicate full-time resources to manually complete reports, directing employees away from core functions.
* Supports streamlining of management categories.
* Supports removal of reporting on CEO and senior management salaries.
* Concerned about requirement to provide remuneration data due to its commercially sensitive nature.
* Supports further deferral of Schedule 2 components.
 |
| Coalition for Working Women  | * Supports removing salary of the Chief Executive Officer (CEO) and reporting on graduates.
* Supports amendments to reporting on the proportion of the workforce who have access to paid parental leave (PPL).
* Supports removing applications, interviews and appointments by gender.
* Seeks the retention of promotions and resignation information.
* Suggests simplification of disaggregated annualised full-time equivalent (FTE) data.
* Strongly disagrees with removing reporting of total remuneration for non-managers.
 |
| Diversity Council Australia (DCA) | * Supportive of the Act and the reporting requirements as a tool to improve women’s labour market participation.
* Considers that reporting helps keep businesses focussed on gender equality.
* Industry should continue to receive a high degree of assistance from Workplace Gender Equality Agency (the Agency) to complete reporting, noting that this should reduce in subsequent years.
* Members noted that preparing for the workplace profile was complex and time consuming; and that completing the ‘Distance from CEO or equivalent’, the non-managerial occupational categories and reporting on independent contractors created difficulties.
* The limits of the Australian and New Zealand Standard Industrial Classification (ANZSIC) codes created concern as the classifications are considered too broad to provide comparison for the benchmark reports.
* While the DCA supports data to analyse the gender pay gap, remuneration data was very difficult for some members to provide, particularly calculating FTE and annualised data.
* DCA supports the collection of data regarding PPL provisions but consider that the current questions require data that is not easy for organisations to provide nor is useful in determining access to PPL within an organisation.
* Overwhelmingly members were supportive of the online portal but raised concerns about accessing and using the AUSkey.
* A large proportion of DCA members surveyed indicated that completing the report took more than 40 hours.
* Members indicated that the additional Schedule 2 requirements relating to remuneration components and recruitment data will be difficult to obtain.
 |
| Equity Practitioners in Higher Education Australasia | * Supportive of the change in focus of the new Act from outputs to outcomes.
* Raises concerns about usefulness of benchmark reports for comparisons with other higher education institutions as occupational categories vary between institutions.
* Additional recruitment requirements under Schedule 2 will create a significant reporting burden.
 |
| Es4w (Economic Security for Women) | * Strongly supports current reporting requirements and introduction of Schedule 2 requirements.
* Suggests the introduction of some additional requirements.
* Highlights the importance of reporting against employment status as many women are in insecure casual employment.
 |
| Jacobs Group (Australia) Pty Ltd | * Reporting was not burdensome, as most of the information was already collected and accessible (albeit from a number of sources).
* Online reporting was easy to navigate and use.
* Occupational categories created some difficulties in mapping employees— a problem for all sectors and industries.
 |
| Master Builders Australia | * Supports gender equality in the workplace but is concerned that the Acthas increased the regulatory burden on business without improving gender equality in the workplace.
* Believes that the Act and associated instruments are unworkable in their current form. They are particularly concerned about the definition of ‘relevant employer’ in the Act and that ‘employee’ is not defined within the legislative instrument or Act.
* Raises concerns about requirements to collect data on applicants as most members do not have systems in place to collect this data.
 |
| Master Electricians Australia | * Generally supportive of attempts to improve gender diversity, but considers that the electrical industry is male dominated and the reporting requirements should be reassessed for this industry.
* Members have reported that collecting and providing the required data takes a significant amount of time.
* Considers it essential that the benchmark reports use comparisons of the same industry and size (for the electrical industry this might not be the case as there are few employers with 100 or more employees).
* Considers that members will have difficulties in reporting on the additional requirements under Schedule 2.
* Broadly agrees that reporting requirements will contribute to improving gender equality in the workplace.
 |
| Minerals Council of Australia | * Supports overall aims of the Act in general, but has a number of concerns about the operation and reach of the legislation.
* While the new online system is preferred, concerns about technical issues and reliability of data for comparison were raised.
* Suggests omitting reporting on contractors and casuals as they are likely employed by another entity.
* Classifying job roles was one of the most difficult things to do due to the amount of manual manipulation required, and it also creates the likelihood of human error.
* Supports abolishing Schedule 2 requirements as it is considered that members do not have systems to extract the data and the benefits of the data will not match efforts in obtaining it.
* Concerned that the Act imposes a number of compliance burdens that fall disproportionately on smaller operators.
 |
| PricewaterhouseCoopers | * Considers that data is essential to drive change, but recommends some refinement to streamline the current reporting requirements.
* Supports an industry standard workplace profile.
* Companies require guidance in providing the remuneration data to ensure interpretation of terms such as ‘bonus payments’ is consistent.
* Suggest that the reporting portal is ‘open’ longer.
 |
| Recruitment and Consulting Services Association | * Supports the principle of workplace gender reporting, but concerned that the current framework does not suit the recruitment and consulting services sector due to the large number of ‘on‑hire’ employees.
* Would like to see the definition of contract employee clarified to stipulate if independent contractors or on-hire employees are included.
 |
| Restaurant and Catering Industry Association  | * Supports mechanisms that promote workplace gender equality, is concerned that proposed changes to gender reporting will be onerous and time consuming for business.
* Raises concerns about the Schedule 2 reporting with regard to recruitment data, as it is possible for restaurants with no advertised vacancies to receive more than 1000 applications per month.
 |
| Shop, Distributive and Allied Employees’ Association | * Strongly supports the *Workplace Gender Equality Act 2012* (the Act).
* Suggests more detail in the occupational categories for non‑managers, particularly the ‘professional’ category to determine occupational segregation by gender.
 |
| The Women and Work Research Group, The University of Sydney | * Supports the retention of the current requirements.
 |
| Women in Super | * Supportive of gender reporting, the workplace profile and questionnaire in its entirety.
* Supports current reporting framework and suggests some additional information be collected.
 |
| Women Lawyers Association of New South Wales (WLANSW) | * States that the transparent reporting process required under the Act is welcome. WLANSW’s position is that there must be reporting and tracking of gender data if any change is to be achieved.
* Considers that developing an industry-specific workplace profile for law firms would allow effective comparisons.
* Suggests that questions relating to the total number of female and male equity partners could be worded differently to capture a richer range of data.
* Suggests that the Reference Guide should be amended to better reflect how partnerships operate, e.g. salaried partners are treated as employees, but they are not employees.
* Suggests that the report should identify questions that are compulsory for qualifying for Employer of Choice application.
* The only reservation that WLANSW has about the data is that it is not collected in a consistent manner, making comparisons between firms difficult, and it does not capture the different types of ownership arrangements that are most commonly used in law firms, and as such, misses the opportunity to identify and track gender differences in ownership arrangements.
 |
| Anonymous | * Considers reporting took a large amount of time at a high cost.
* Considers reporting was easier in previous years and obtaining an AUSkey was frustrating.
* Much of the information from the payroll data or HR database had to be extracted and manipulated manually.
* Categorising each employee into an occupation classification was time consuming, but considers this will become easier in subsequent years.
* Management categories did not align with management structures
* Would like to be exempted from the Schedule 2 requirements
 |
| Anonymous | * Considers that data was simpler to provide than in previous years, although HR and payroll systems do not correlate to the reporting lines.
* Reporting took a week to complete.
* It was difficult and time consuming obtaining access to the AUSKey.
* Schedule 2 requirements will create an additional burden.
 |
| Anonymous | * Supportive of efforts to improve workplace gender equality
* Previous reporting was simpler as the organisation does not have a centralised payroll or HR system.
* Reporting on annualised and FTE remuneration was onerous.
* Classification of non-manager employees was onerous and time consuming.
* Consider Schedule 2 requirements will create a further burden.
 |
| Additional issues raised in private submissions | * While the classification categories were difficult, would prefer that they do not change year on year. Case studies could be useful in determining the appropriate categories.
* Suggest including data that shows the percentage difference of remuneration between men and women at each occupational classification.
* Suggest the Agency improves definition (such as what is meant by ‘allowance’) by making them clearer.
* Suggest changing the definition of contract to be ‘fixed-term employees’ as concerned about ‘double-counting’ external contractors.
* Reporting on distance from CEO is not a reliable indication of ‘like’ roles within an organisation, rather the comparison should be based on the function of the role and level of accountability.
* Suggest base pay and short-term incentives only are included as the primary components of remuneration, the existing requirements capture reward components that are role and industry specific.
* The effort required to obtain total remuneration was not justified. Base salary should be sufficient to measure gender pay parity.
* Suggest the option of free text in questionnaire to provide further explanation.
* The definition of a stand-alone policy and policy contained within another strategy were unclear.
* Suggest collecting additional data on retrenchment by gender.
* Greatly improved from the experience of previous years.
* At this stage we see no real benefit of reporting to our business.
* Better clarity, consistency and lead time on requirements.
* Limitation of HR systems creates difficulties in tracing paid and unpaid parental leave of primary and secondary carers.
* Reporting format and requirements are not suited to global organisations headquartered outside Australia and operating businesses that span multiple ANZSIC codes.
* Providing data for contractors/casual employees who are paid on a daily basis and then annualising this data results in skewed data.
* Consider pay data is not useful for benchmarks as it is unlikely to be meaningfully comparable data.
* Consider the greatest benefit of the benchmark reports would be qualitative information, such as examples of industry standards, practices and policies that other organisations use to address gender pay gap.
* The annualisation of performance bonuses is problematic as bonuses are awarded based on individuals’ contribution/output and do not necessarily equate to hours worked.
* Gender reporting should become more relevant and beneficial for employers by delivering information that actually assists employers in transforming workplaces.
* Do not support the collection of data by employment status and consider it unduly burdensome, intrusive and not justified.
* Remuneration should be ‘point–in-time’ rather than annualised.
 |

1. \*In this document, the terms ‘relevant employers’, ‘reporting employers ‘or ‘reporting organisations’ refers to registered higher education providers and non-public sector employees with 100 or more employees. [↑](#footnote-ref-2)
2. J Daley, C McGannon & L Ginnivan, *Game Changers: economic reform priorities for Australia*, Grattan Institute, Melbourne, 2012. [↑](#footnote-ref-3)
3. OECD, *Closing the Gender Gap. Act Now*, OECD Publishing, 2012. [↑](#footnote-ref-4)
4. J Dawson, R Kersley & S Natella, *The CS Gender 3000: women in senior management*, Credit Suisse Research Institute, 2014. [↑](#footnote-ref-5)
5. S Devillard, W Graven, E Lawson, R Paradise & S Sancier-Sultan, *Women Matter 2012: making the breakthrough,* McKinsey & Company, 2012*.* [↑](#footnote-ref-6)
6. H Conway, Education and Employment Legislative Committee, Senate Estimates Hansard, Thursday, 23 October 2014. [↑](#footnote-ref-7)
7. This figure is estimated over a 10-year average commencing in the 2015–16 reporting period. [↑](#footnote-ref-8)
8. R Cassells, Y Vidyattama, R Miranti & J McNamara, *The impact of a sustained gender wage gap on the Australian economy*, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs (sic), NATSEM, 2009. [↑](#footnote-ref-9)
9. Department of Families, Housing, Community Services and Indigenous Affairs, Regulation Impact Statement, The Reform of the *Equal Opportunity for Women in the Workplace Act 1999,* 2011, *http://ris.finance.gov.au/files/2011/03/eowa\_reforms\_ris.pdf.* [↑](#footnote-ref-10)
10. OECD, *Closing the Gender Gap. Act Now*, OECD Publishing, 2012, p. 13. [↑](#footnote-ref-11)
11. J Daley, C McGannon & L Ginnivan, *Game Changers: economic reform priorities for Australia*, Grattan Institute, Melbourne, 2012. [↑](#footnote-ref-12)
12. OECD, *Closing the Gender Gap. Act Now*, OECD Publishing, 2012. [↑](#footnote-ref-13)
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15. Australian Bureau of Statistics, *Average Weekly Earnings* 6302.0 and *Labour Force Australia*, Detailed Quarterly 6291.0.55.00, various years. [↑](#footnote-ref-16)
16. R Cassells, Y Vidyattama, R Miranti & J McNamara, *The impact of a sustained gender wage gap on the Australian economy*, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs (sic), NATSEM, 2009. [↑](#footnote-ref-17)
17. Equal Opportunity for Women in the Workplace Agency, *2012 Australian Census of Women in Leadership*, Commonwealth of Australia, 2012. [↑](#footnote-ref-18)
18. R Cassells, Y Vidyattama, R Miranti & J McNamara, *The impact of a sustained gender wage gap on the Australian economy*, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs (sic), NATSEM, 2009. [↑](#footnote-ref-19)
19. C Taylor “Microsoft CEO Satyal Nadella discourages women asking for raises, says ‘have faith, in the system’”, The Sydney Morning Herald, October 10 2014 http://www.smh.com.au/it-pro/expertise/microsoft-ceo-satya-nadella-discourages-women-asking-for-raises-says-have-faith-in-the-system-20141009-1140j6.html accessed 12 November 2014. [↑](#footnote-ref-20)
20. D Baker, *The Wage Penalty Effect: the hidden cost of maternity leave*, The Australia Institute, Policy Brief No. 21, July 2011. [↑](#footnote-ref-21)
21. R Cassells, Y Vidyattama, R Miranti & J McNamara, *The impact of a sustained gender wage gap on the Australian economy*, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs (sic), NATSEM, 2009. [↑](#footnote-ref-22)
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23. Workplace Gender Equality Agency, *About workplace gender equality*, https://www.wgea.gov.au/learn/about-workplace-gender-equality accessed 28/10/14. [↑](#footnote-ref-24)
24. DM Kaplan, JW Wiley & CP Maertz, *The role of calculative attachment in the relationship between diversity climate and retention,* Human Resource Management, Volume 50 Issue 2, March/April 2011 pp 271-287. [↑](#footnote-ref-25)
25. M Curtis, C Schmid,& M Struber, *Gender Diversity and Corporate Performance*, Credit Suisse Research Institute, August 2012. [↑](#footnote-ref-26)
26. Workplace Gender Equality Agency, *The Business Case for Gender Equality,* March 2013, https://www.wgea.gov.au/sites/default/files/business\_case\_for\_gender\_equality.pdf [↑](#footnote-ref-27)