

# Progress Report 2014-16



# Contents

ISBN: 978-0-9943571-2-0

ISSN: 2202-6355

Online ISSN: 2204-8774

© Commonwealth of Australia 2017

All material presented in this publication is provided under a Creative Commons Attribution 3.0 Australia ([www.creativecommons.org/licenses/by/3.0/au/deed.en](http://www.creativecommons.org/licenses/by/3.0/au/deed.en)) licence.

For the avoidance of doubt, this means this licence only applies to material as set out in this document. The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the CC BY 3.0 AU licence (<http://creativecommons.org/licenses/by/3.0/legalcode>)

## Use of the Coat of Arms

The terms under which the Coat of Arms can be used are detailed on the It's an Honour website: [www.itsanhonour.gov.au/coat-arms/index.cfm](http://www.itsanhonour.gov.au/coat-arms/index.cfm)

---

## Contact us

Enquiries regarding the licence and any use of this document are welcome at:

Workplace Gender Equality Agency  
GPO Box 4917  
Sydney NSW 2001  
Telephone (02) 9432 7000  
Fax (02) 9929 4383  
[www.wgea.gov.au](http://www.wgea.gov.au)

---

For any enquiries about the progress report, please contact:

Jackie Woods  
Engagement Executive Manager  
[Jackie.Woods@wgea.gov.au](mailto:Jackie.Woods@wgea.gov.au)

An electronic copy of this report is available at  
[www.wgea.gov.au/sites/default/files/wgea-progress-report-2017.pdf](http://www.wgea.gov.au/sites/default/files/wgea-progress-report-2017.pdf)

---

## Progress Report 2014-16

Foreword from the Director	3
Purpose of the Report	4
Executive summary	5
About the Agency	6
Reporting under the Act	8
Progress achieved in relation to the GEIs	9
Performance against minimum standards	18
Improving reporting and data collection	20
Data management	22
Broader commentary on the legislation	23
Recommendations from other public reports	28



GPO Box 4917  
Sydney NSW 2001

www.wgea.gov.au  
ABN 47 641 643 874

28 February 2017

Senator the Hon Michaelia Cash  
Minister for Employment  
Parliament House  
Canberra ACT 2600

Dear Minister

I have pleasure in presenting to you this progress report of the Workplace Gender Equality Agency.

This report has been prepared in accordance with subsection 12(2A) of the *Workplace Gender Equality Act 2012* (the Act), which requires the Agency to submit to you, the Minister a report on the progress achieved in relation to the gender equality indicators in the relevant two-year period.

In accordance with the Act, the report must be submitted as soon as practicable after the end of the two-year period ending on 31 May 2016 and each later two-year period.

Approval was granted by you to provide this report by the end of February 2017, so as to include insights from the 2015-16 reporting data and provide time series data over three reporting periods.

Yours sincerely

**Libby Lyons**  
Director

[Learn/Report/Lead](#)

## Foreword from the Director

After three years of full reporting under the *Workplace Gender Equality Act 2012* (the Act), measurable change is underway. The gender pay gap is declining, the representation of women in senior management roles is increasing and the proportion of employers reporting that they are taking action on gender equality is growing. For the first time, more than 70% of Australian employers report having policies in place to support workplace gender equality.

As we head into our fourth year of full reporting, perhaps the biggest change is that annual reporting on gender equality has become business as usual for Australian employers. As international recognition of the economic imperative of supporting women's participation and progress in the paid workforce grows, the successful implementation of the Act has established Australia as a leader in the field of gender reporting.

The Workplace Gender Equality Agency's (Agency) growing dataset is a valuable national resource, with rich information on the status of women and men in more than 12,000 organisations covering about four million employees.

Overall, the implementation of the Act has been a great success. The value of the data is widely recognised by employers and the research community. There is a high level of compliance with the Act from employers. Non-compliant numbers are consistently fewer than 100 which, considering the number of organisations required to report, is very positive. Agency staff are recognised for their expertise and regularly sought for speaking engagements and events. There is a growing understanding and acceptance of the value of pay equity and equal participation of women and men in paid work as well as caring and

community involvement. The recent launch of our 2016 data attracted large audiences and extensive media interest nationwide, underscoring the success of the Agency's efforts to ensure our output is relevant, interesting and useful to employers and the broader community.

Nevertheless, our work with employers and other stakeholders has alerted us to opportunities to improve the impact and efficacy of the Agency's work. We have identified limitations in our data that, if addressed, may deliver greater insight into gender dynamics in our workplaces as well as opportunities to streamline employer reporting to ensure we are only collecting information that is valuable and useable. The world of work is dynamic, with more change ahead in the ways Australians engage in the paid workforce, and we intend to continually monitor and improve our processes to support and engage employers.

This report is intended to update the Minister on progress against the gender equality indicators outlined in the Act, as well as provide commentary about challenges and opportunities. We believe Australia is well positioned to capitalise on the economic benefits that improved workplace gender equality can deliver and look forward to continuing to work towards our vision that women and men are equally represented, valued and rewarded in Australian workplaces.

**Libby Lyons**  
Director

# Purpose of the report

This report has been prepared in accordance with subsection 12(2A) of the *Workplace Gender Equality Act 2012* (the Act), which requires the Agency to submit to the Minister a report on the progress achieved in relation to the gender equality indicators in the relevant two-year period. The report must be submitted as soon as practicable after the end of the two-year period ending on 31 May 2016 and each later two-year period.

This report covers comprehensive workplace data collected from reporting organisations over three reporting periods, being 2013-14, 2014-15 and 2015-16. It also sets out key insights gleaned from the data and feedback received from employers and other interested stakeholders. In order to allow adequate time for the analysis of data collected from the 2015-16 reporting period and to provide meaningful commentary about issues arising over three years of reporting and data analysis, the Minister for Employment, Senator the Hon Michaelia Cash, agreed that the Agency may submit this report by the end of February 2017<sup>1</sup>.

The Agency is also required to submit to the Minister for Employment an annual report on its operations for the year ending 31 May pursuant to subsection 12(1) of the Act. For information on the Agency and its operations, please refer to the Agency's annual report.

Any reference to "employers" in this report means a relevant employer under the Act for reporting purposes. These are non-public sector employers with 100 or more employees.

Any reference to "organisations" or "reporting organisations" in this report means relevant employers that submit reports to the Agency, sometimes on behalf of other entities within their corporate structure.

# Executive summary

The Act with its unique gender reporting framework has delivered a robust and valuable national dataset representing some 40% of the workforce.

After three years of full reporting, the dataset shows improvement against key gender equality indicators. The overall gender pay gap has improved year on year, although there has been some volatility at an industry level. Representation of women across all manager categories has steadily increased and rates of promotion into manager roles suggests it will continue to increase. More employers are taking action to improve gender equality outcomes, with a greater proportion of employers implementing gender equality strategies and policies. A longer time series will provide further insight as to whether these movements in the data represent significant trends in the workforce. There is a very high level of compliance for the minimum standards for organisations with 500 or more employees as set out in the *Workplace Gender Equality (Minimum Standards) Instrument 2014*.

During the three years of full reporting under the Act, feedback from reporting organisations has raised concerns regarding the onerous nature of reporting. In response, the Agency has implemented a series of improvements and is committed to ensuring reporting is as streamlined and accessible as possible.

Also, over the course of three years of full reporting under the Act, insights have been gleaned from the reporting process, the data collected and feedback from employers and other interested stakeholders. Drawing on these insights, the Agency has identified the following issues for further exploration and consideration:

1. Periodic review of the minimum standards for employers with a view to strengthening them.
2. Eligibility for receipt of Commonwealth grants and other financial assistance being contingent on compliance with the Act and this being specifically and clearly articulated in the Commonwealth Grants Rules and Guidelines.
3. Finding opportunities to expand the scope of the dataset would allow for a more complete national picture of gender equality across the economy. Consideration could be given to providing opportunities for organisations with fewer than 100 employees and the public sector to report voluntarily to the Agency.

4. Possible changes to the items on which employers are required to report in order to streamline and improve the Agency's gender equality dataset, including:
  - a. Adding employee age (date of birth).
  - b. Adding the number and gender of independent contractors which employers engage.
  - c. Requiring employers to report in relation to each entity, not the corporate structure.
  - d. Removing the requirement to provide data on the availability of carer's leave.
  - e. Amending the term "employee" to include equity partners in professional services firms who are currently not captured in reporting matters relating to:
    - i. the number and proportion of employees who have been promoted;
    - ii. the number and proportion of employees who have resigned; and
    - iii. the proportion of employees who ceased employment during or at the end of a period of parental leave.
  - f. Requesting information on whether employers pay superannuation for carers while on paid parental leave.
  - g. Removing the requirement to report on a manager's distance from the CEO (or equivalent).
  - h. Adding whether sex-based harassment and discrimination training is provided to all employees (not only managers).
  - i. Adding utilisation of flexible work arrangements.

This progress report comes at a time of international interest in gender reporting and increasing acknowledgement of the economic benefits of increasing women's workforce participation. It is also a time of considerable change in the workforce as traditional employment models give way to more fluid contracting and consulting arrangements.

These trends will be closely monitored by the Agency for impacts on workplace gender equality and for building the best evidence base to support employers and policy development going forward.

Further exploration, including a comprehensive consultation process with relevant stakeholders, would be undertaken prior to any actions being taken on issues outlined in this report.

<sup>1</sup>The Director of the Workplace Gender Equality Agency made this request by way of letter to the Minister for Employment, Senator the Hon Michaelia Cash, dated 9 March 2016.

# About the Agency

## Purpose

The Agency is charged with promoting and improving gender equality in Australian workplaces, including through the provision of advice and assistance to all employers and the assessment and measurement of workplace gender data. It is established by the *Workplace Gender Equality Act 2012* (the Act).

## Role and functions

The Act outlines the Agency's role and functions as follows:

- ➔ advise and assist [all] employers in promoting and improving gender equality in the workplace
- ➔ develop, in consultation with relevant employers and employee organisations, benchmarks in relation to gender equality indicators
- ➔ issue guidelines to assist relevant employers to achieve the purposes of the Act
- ➔ review compliance with the Act by relevant employers, review public reports lodged by relevant employers and deal with those reports in accordance with the Act
- ➔ collect and analyse information provided by relevant employers under the Act to assist the Agency to advise the Minister in relation to legislative instruments made under the Act
- ➔ undertake research, educational programs and other programs to promote and improve gender equality in the workplace
- ➔ work with employers to maximise the effectiveness of the administration of the Act, including by minimising the regulatory burden on employers

- ➔ promote and contribute to understanding, acceptance and public discussion of gender equality in the workplace
- ➔ review the effectiveness of the Act in achieving its purposes
- ➔ report to the Minister on such matters in relation to gender equality in the workplace as the Agency thinks fit.

## Resourcing

The Agency operates out of leased accommodation in the Sydney CBD. It has an average staffing level of 30 with an annual appropriation of less than \$5 million including capital funding of approximately \$200,000.

## Promoting gender equality

The Agency undertakes a range of activities in support of and in alignment with its legislative mandate to promote and improve workplace gender equality. These include:

- ➔ **Education:** The Agency helps promote gender equality through practical educational materials, case studies, fact sheets, webinars and events. There are currently over 67 educational tools housed on our website. The Agency offers a regular program of webinars to support employers to report annually. Our 2016 reporting webinars were attended by 1,524 people, while our popular *Gender pay gap statistics* fact sheet was downloaded 8,661 unique times in 2015-16.

- ➔ **Employer engagement:** The Agency works closely with employers to promote gender equality and showcase best practice. As at February 2017, 107 CEOs and business leaders had signed up to our Pay Equity Ambassador program, committing to analyse their gender pay data and promote the benefits of pay equity to their peers. The Agency engages regularly with this group who in turn actively promote the Agency's data and activities among their networks.

- ➔ **Employer of Choice for Gender Equality citation:** The Agency developed and administers the respected Employer of Choice for Gender Equality citation. The rigorous criteria to be awarded the citation include leadership commitment, flexible work and access to parental leave for women and men. These criteria are strengthened year on year. The number of employers who meet the criteria has grown steadily from 74 in 2014 to 90 in 2015 and 106 in 2016. In percentage terms, this is an increase of 21.6% from 2013-14 to 2014-15 and 17.8% from 2014-15 to 2015-16. Overall, there has been an increase of 43.2% in the number of employers who meet the criteria from 2013-14 to 2015-16. The Agency regularly consults with employers of choice on key gender equality issues, showcases their initiatives through media and online channels and holds events to facilitate cross-promotion of ideas.

- ➔ **Speaking engagements:** Agency staff are regularly invited to speak about gender equality and the Agency's data at external events. In 2015-16 Agency staff participated in 62 speaking events, including keynote addresses, roundtables and panel events. Between July and December 2016, Agency staff participated in a further 61 speaking events. A series of events for our national data launch in November 2016 attracted well over 1000 attendees.

- ➔ **Media outreach:** The Agency takes a proactive approach to media engagement, generating regular positive media coverage on issues including the gender pay gap, positive employer initiatives and women and men working in non-traditional industries. The Agency achieved 516 media mentions in 2015-16. Our national data launch in November 2016 generated over 150 print, online and broadcast media items with an estimated reach of nearly six million people.

- ➔ **Competitor Analysis Benchmark Reports:** The data collected from each employer is fed into customised and confidential Competitor Analysis Benchmark Reports and distributed to compliant reporting organisations. The benchmark reports compare gender equality performance in key areas against comparison groups by industry and size of organisation. Summarised versions of these reports are also sent to the CEOs of selected reporting organisations to support stronger engagement with their organisations' benchmark measures and improve gender equality outcomes.

## Reporting under the Act

The Act requires non-public sector employers with 100 or more employees (relevant employers) to report to the Agency annually against standardised gender equality indicators (GEIs) by completion of a workplace profile and a reporting questionnaire.

The GEIs are:

- ➔ GEI 1 – gender composition of the workforce
- ➔ GEI 2 – gender composition of governing bodies of relevant employers
- ➔ GEI 3 – equal remuneration between women and men
- ➔ GEI 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
- ➔ GEI 5 – consultation with employees on issues concerning gender equality in the workplace
- ➔ GEI 6 – any other matters specified by the Minister – sex-based harassment and discrimination.

### Timeframes for reporting

The reporting period under the Act refers to the 12 months from 1 April to 31 March, with reports being due between 1 April and 31 May each year.

Reporting is available online, using a secure reporting portal. Reporting organisations log into the system using an AUSkey and submit all information through the portal. The portal also provides an ongoing record of all reports to track data over time.

### Confidential and public reports

Information submitted by employers is collated into confidential reports accessible within the secure online portal. The information, excluding personal information and remuneration data which remains confidential, is collated into public reports published on the Agency's website. Since January 2014, the public reports available on the Agency's website have been downloaded over 30,000 times.

### The Agency's dataset

Information collected from employers through annual reporting contributes to the Agency's growing dataset.

Each year, the Agency releases a national gender equality scorecard which summarises key findings from the Agency's reporting data. The headline data is also published in fact sheets, research reports, media reports and the online Data Explorer.

In November 2016, the Agency released the third comprehensive set of workplace data. The 2015-16 dataset is based on 4,697 reports, submitted on behalf of over 12,000 employers. Over four million employees across Australia are covered, accounting for about 40% of employees in Australia.

## Progress achieved in relation to the GEIs

Overall, there has been progress against most gender equality indicators. Progress is most noticeable in areas where organisations have the most direct influence on the outcome, such as the development of policies and/or strategies relating to gender equality. This demonstrates that improving gender equality remains an important focus for employers.

Improvement has also been seen in women's representation in leadership positions. Gender equality indicators that relate to deeply ingrained societal and cultural norms have been more resistant to change. This includes indicators relating to gender segregation by industry and occupation as well as indicators relating to parental leave and the role of women as the primary carers in society.

The gender pay gap reflects the difference between women and men's average remuneration. The causes are complex; such as women's underrepresentation in senior leadership, gender segregation across industries and occupations, time out of the workforce for caring responsibilities as well as direct and indirect discrimination. The improvement in the gender pay gap between 2013-14 and 2015-16 reflects

improvements across some of these factors. However the full-time total remuneration gender pay gap of 23.1% in 2015-16 demonstrates that there is still considerable improvement required across many areas to fully address the economic inequality between women and men in Australia. Australian Bureau of Statistics (ABS) Average Weekly Earnings (AWE) data suggests the gender pay gap is a stubborn feature of the Australian workforce hovering between 15% and 19% over the past two decades. Please note, the difference in the gender pay gap calculated on ABS AWE data reflects the different scope of the dataset and the earnings measure used.

Monitoring and reporting on the progress of Australian workplaces against the six gender equality indicators is an important piece in driving cultural change and improving workplace gender equality.

## GEI 1 – gender composition of the workforce

This includes information captured via the workplace profile relating to the gender composition of each reporting organisation's workforce disaggregated by occupational category and level of seniority. It also includes information captured in the reporting questionnaire relating to the policies and/or strategies in place in Australian workplaces. From 2015-16 onward, the reporting questionnaire also includes specific questions relating to appointments, promotions, resignations and employees ceasing employment during, or at the end of, parental leave.

**Table 1:** Proportion of women by manager category

Management Category	2013-14	2014-15	2015-16
CEO / Head of business	15.7%	15.4%	16.3%
Key management personnel (KMP)	26.1%	27.4%	28.5%
Other executives/general managers	27.8%	29.3%	30.1%
Senior managers	31.7%	33.0%	34.1%
Other managers	39.8%	40.0%	40.8%
<b>All</b>	<b>35.9%</b>	<b>36.5%</b>	<b>37.4%</b>

The representation of women declines steadily with seniority. However, the representation of women across all manager categories has grown from 2013-14 to 2015-16.

**Table 2:** Percentage of women in non-manager roles

Non-manager occupations	Percentage of women (%)		
	2013-14	2014-15	2015-16
Clerical and administrative	75.6	74.6	75.1
Community and personal service	73.5	71.7	71.5
Sales	59.7	59.2	59.6
Professionals	51.7	52.5	53.4
Other	43.9	42.7	40.8
Labourers	28.0	31.1	31.3
Machinery operators and drivers	10.8	11.3	11.9
Technicians and trade	11.8	11.7	11.6

There has been very little change in the level of occupational segregation across non-manager roles. Women continue to dominate *clerical and administrative* and *community and personal service* occupations while men dominate roles across *machinery operators and drivers* and *technicians and trade*.

Organisations also report having targeted policies and/or strategies in place to support gender equality.

**Table 3:** Percentage of reporting organisations with policies and/or strategies to support gender equality

Policy and/or strategy	Percentage of reporting organisations (%)		
	2013-14	2014-15	2015-16
Recruitment	72.9	75.9	78.6
Training and development	63.8	68.1	70.8
Performance management processes	60.9	65.3	68.4
Promotions	55.7	60.2	62.3
Talent/high potential identification	47.2	51.6	55.3
Retention	48.2	52.5	54.6
Succession planning	44.4	48.4	52.1
Resignations	41.8	45.9	48.2
Key performance indicators for managers relating to gender equality	18.1	22.2	23.4
<b>Gender equality overall</b>	<b>66.2</b>	<b>68.4</b>	<b>70.7</b>

Table 3 shows that there has been a steady increase in the proportion of organisations with policies and/or strategies in place to support gender equality. This demonstrates that employers are increasingly identifying gender equality as a priority area and that they are actively adopting policies and/or strategies to address imbalances in their workplaces.

For the first time, the 2015-16 reporting data included information relating to appointments, promotions and resignations.

**Table 4:** Gender composition of appointments, promotions and resignations 2015-16

Type	Percentage of women (%)		
	Managers	Non-managers	All (combined)
Appointments (includes promotions)	44.1	49.0	47.8
Promotions	42.6	51.0	50.5
Resignations	42.7	54.0	53.2

Table 4 shows that less than half of managerial appointments and promotions went to women in 2015-16 (44.1% and 42.6% respectively). However, the percentage of managerial appointments and promotions that went to women is higher than their current representation in manager roles (37.4%). This is a positive step in increasing the female leadership pipeline within organisations and in creating a stronger talent pool from which to appoint and promote female managers into the future.

Overall, the Agency's data shows increases in women's representation in leadership roles and an increase in organisational commitment to address gender inequality in the workplace. Despite this, occupational segregation in non-manager roles has been resistant to change, reflecting deeper cultural barriers to achieving gender equality in roles that are typically considered to be women's work or men's work. This includes the societal expectation for women to be responsible for a larger share of unpaid caring work.

## GEI 2 – gender composition of governing bodies

The Agency captures information relating to the gender composition of governing bodies/boards through the reporting questionnaire. Questions relating to strategies aimed at improving the gender balance of governing bodies/boards, including the use of targets, are also included.

**Table 5:** Women’s representation on governing bodies

Governing body positions	Percentage of women (%)		
	2013-14	2014-15	2015-16
Chairs	11.9	14.2	12.9
Board members	25.3	25.2	26.6
Directors (Chairs and board members)	23.7	23.6	24.7

There has been a minimal increase in the overall representation of women on governing bodies/boards from 2013-14 to 2015-16, with an increase in women’s representation of one percentage point over this period. The percentage of Chairs that are female has also increased over this period, however a positive increase in 2014-15 was partially reversed in 2015-16.

**Table 6:** Boards that have a gender target

Boards that have a gender target	2013-14	2014-15	2015-16
Number of boards	4,273	6,014	6,021
Number of boards with target	381	968	765
<b>Percentage of boards with target</b>	<b>8.9%</b>	<b>16.1%</b>	<b>12.7%</b>

The percentage of boards with a target increased sharply in 2014-15 before decreasing in 2015-16. The Agency questionnaire captures the percentage of boards with a target to increase representation of women on the board. Organisations may indicate that they do not have a target because they already have gender balance on their board. The percentage of reporting organisations that do not have a target because they already have a gender balanced board has increased steadily:

- ➔ in 2013-14 - 11.8%
- ➔ in 2014-15 - 14.7%
- ➔ in 2015-16 - 15.4%.

The progress towards gender equality on boards has been consistent, particularly across ASX 200 organisations. The number of ASX 200 organisations with at least 30% female board directors was 64 in November 2016 and only 16 companies in the ASX 200 have no female board directors, which decreased by six since August 2016, showing consistent progress.<sup>1</sup>

Research has found that having a critical mass of at least three women (representing at least 30%) at the board table is linked to improved corporate social responsibility, improved innovation and reputation and improved financial performance. It also sends an important signal to investors and other stakeholders that gender equality is a business priority.<sup>ii</sup>

## GEI 3 – equal remuneration between women and men

The Agency captures information relating to the remuneration of women and men through the workplace profile. This information is further classified based on whether the employee is full-time, part-time or casual as well as occupational category, including whether the employee is a manager and their management level.

Information relating to policies and/or strategies aimed at identifying and addressing pay gaps are captured through the reporting questionnaire. This includes whether organisations have undertaken a gender pay gap analysis as well as any actions that have been taken as a result of this analysis. The Agency’s data shows a persistent gender pay gap in favour of men, however the gap has fallen since 2013-14.

**Table 7:** Gender pay gap for base salary and total remuneration by ANZSIC division

Industry (ANZSIC)	Full-time base salary gender pay gap			Full-time total remuneration gender pay gap		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
<b>All Industries</b>	<b>19.9</b>	<b>19.1</b>	<b>17.7</b>	<b>24.7</b>	<b>24.0</b>	<b>23.1</b>
Agriculture, Forestry and Fishing	20.0	19.3	18.9	21.6	20.9	21.8
Mining	15.3	15.5	12.7	17.2	17.6	15.8
Manufacturing	12.0	11.0	11.0	14.9	14.1	14.2
Electricity, Gas, Water and Waste Services	13.9	15.2	13.4	19.3	21.5	20.0
Construction	18.7	20.4	22.6	25.4	26.3	28.0
Wholesale Trade	10.1	8.3	6.3	11.6	10.5	10.0
Retail Trade	13.1	11.3	11.8	17.6	15.5	16.2
Accommodation and Food Services	11.4	10.8	10.4	11.7	10.9	11.4
Transport, Postal and Warehousing	19.6	19.0	17.8	22.6	21.4	21.9
Information Media and Telecommunications	20.1	20.2	19.3	25.4	23.3	23.5
Financial and Insurance Services	28.4	27.3	26.0	36.1	35.0	33.5
Rental, Hiring and Real Estate Services	22.2	20.0	21.4	25.6	28.4	29.3
Professional, Scientific and Technical Services	24.0	22.5	22.0	28.0	27.3	27.5
Administrative and Support Services	24.7	21.2	12.0	23.0	20.7	14.8
Public Administration and Safety	9.9	9.4	9.6	9.1	8.7	10.5
Education and Training	7.3	7.3	7.4	9.6	9.3	9.4
Health Care and Social Assistance	14.6	16.1	13.7	16.4	18.1	14.7
Arts and Recreation Services	21.3	19.9	20.2	22.8	21.0	21.1
Other Services	13.2	14.0	9.3	17.3	18.3	14.8

Table 7 shows that the total gender pay gap has decreased from 2013-14 to 2015-16 by 2.2 percentage points for base salary and 1.6 percentage points for total remuneration. This improvement is consistent with increased representation of women in manager roles, which typically attract higher levels of remuneration.

Table 7 also shows that the gender pay gap is highly influenced by industry, with the highest gender pay gaps existing in *Financial and Insurance Services, Construction, Rental, Hiring and Real Estate Services* and *Professional, Scientific and Technical Services*. *Wholesale Trade* and *Education and Training* have the lowest gender pay gaps. Since 2013-14 the gender pay gap has decreased in 17 out of 19 industries.

**Table 8:** Gender pay gap for base and total remuneration, by occupation

Occupation	Full-time base salary gender pay gap			Full-time total remuneration gender pay gap		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
Key management personnel	24.7	24.2	20.8	29.4	29.4	26.6
Other executives/general managers	22.3	20.4	17.9	28.3	26.2	24.6
Senior managers	19.1	18.1	16.9	23.1	22.5	21.7
Other managers	21.6	20.4	20.7	24.3	23.2	23.8
Professionals	20.0	19.4	17.4	22.2	21.4	19.7
Technicians and trade	25.0	21.3	20.6	30.4	27.3	27.1
Community and personal service	1.3	5.8	6.7	2.9	5.8	10.9
Clerical and administrative	7.4	5.5	6.9	8.4	6.6	8.8
Sales	12.0	11.6	17.1	16.2	15.7	23.5
Machinery operators and drivers	14.3	12.9	12.5	16.8	15.9	16.1
Labourers	20.6	17.2	14.6	24.5	22.0	17.2
Other	14.6	18.3	18.3	17.2	24.4	24.8

The downward trend reflected in the Agency's data is consistent with data from other sources, with a gender pay gap of 16.2% derived from ABS data for May 2016, down from 18.3% in May 2014.<sup>iii</sup>

However, ABS AWE data shows that the national gender pay gap has remained stubborn over the past two decades, fluctuating between 15% and 19%. The national gender pay gap can be impacted by a range of factors including changes in the economy. Whether the current downward movement is part of a longer-term trend will only be revealed through continued collection and monitoring of data.

Despite recent improvements in the gender pay gap, the difference between male and female earnings remains a key area for improvement to ensure that women can achieve the same level of economic security as men. The base salary gender pay gap for 2015-16 is equivalent to an average annual difference of \$16,219. The total remuneration gender pay gap for 2015-16 is equivalent to an average annual difference of \$26,853. This inequality in average earnings compounds with other factors, such as time out of the workforce, to create a pronounced difference between women and men's average superannuation balances at retirement, with women retiring with superannuation balances that are, on average, half that of men.<sup>iv</sup>

**Table 9:** Actions organisations are taking to address gender pay gaps

Action	Percentage of organisations (%)		
	2013-14	2014-15	2015-16
Remuneration policy and/or strategy in place	48.9	51.1	53.1
Policy and/or strategy contains specific gender equality objectives	18.1	25.6	26.4
Conducted a gender pay gap analysis	24.0	26.3	27.0
Taken action as a result of gender pay gap analysis	46.0	50.7	56.0

Table 9 shows that an increasing number of organisations are aiming to address gender pay inequality in their organisation. An increasing proportion of organisations are developing policies and/or strategies with specific gender pay equality objectives, with 26.4% of remuneration policies and/or strategies containing specific gender equality objectives in 2015-16. There has also been an increase in the percentage of organisations conducting their own gender pay gap analysis as well as an increase in the percentage of organisations that are taking action as a result of these analyses.

#### GEI 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

Data for this indicator is captured through the reporting questionnaire. This includes information relating to flexible working arrangements as well as the availability of specific flexible working arrangements by gender and employees who are managers and non-managers. Also included is information relating to the availability and use of paid parental leave as well as information relating to support for employees experiencing domestic violence.

**Table 10:** Initiatives to support employees with family or caring responsibilities

Initiative	Percentage of organisations (%)		
	2013-14	2014-15	2015-16
Policy and/or strategy to support employees with family or caring responsibilities	55.1	58.0	56.5
Offer paid parental leave for primary carers	48.5	48.2	48.0
Average weeks offered	11.0 weeks	9.7 weeks	10.5 weeks
Offer paid parental leave for secondary carers	35.7	35.6	36.2

Table 10 shows that the proportion of organisations with a policy and/or strategy in place to support employees with family or caring responsibilities has remained stable from 2013-14 to 2015-16. There has also been little movement in the percentage of organisations offering paid parental leave for primary or secondary carers, with the amount of leave offered remaining reasonably consistent.

For 2015-16, data relating to the percentage of women and men who resigned during, or at the end of parental leave was collected by the Agency for the first time. This data shows a stark gender difference in the rates at which women and men access parental leave. Of employees who accessed primary carer's leave, women represented:

- ➔ 91.6% of managers and
- ➔ 95.6% of non-managers.

Additionally, 9.7% of women ceased employment whilst on parental leave compared to 2.0% of men. On average, women take longer out of the workforce for primary carer's leave than men do, meaning that this difference is in part attributable to women having a greater period of primary carer's leave, on average, in which to cease employment. Overall, this leads to greater time out of the workforce for women relative to men, contributing to an increase in the gender pay gap and a negative impact on women's long term economic security.

**Table 11:** Types of formal flexible working arrangements offered by organisations

Types of flexible work offered	Percentage of organisations (%)		
	2013-14	2014-15	2015-16
Carer's leave	92.7	93.2	92.9
Compressed working week	26.4	26.7	26.1
Job sharing	41.5	41.6	39.9
Part-time work	81.1	82.5	83.9
Purchased leave	27.8	27.8	28.4
Telecommuting	28.4	28.3	27.5
Time-in-lieu	50.9	50.4	50.9
Unpaid leave	78.8	79.5	79.4

The percentage of organisations that have a flexible working policy and/or strategy in place has increased steadily:

- ➔ in 2013-14 - 57.5%
- ➔ in 2014-15 - 60.2%
- ➔ in 2015-16 - 62.9%.

However, table 11 shows that employees' access to formal flexible working arrangements remained stable across the same period.

**Table 12:** Support for employees experiencing family and domestic violence

Initiative	Percentage of organisations (%)		
	2013-14	2014-15	2015-16
Policy and/or strategy to support employees who are experiencing family and domestic violence	32.2	34.9	39.3
Offer measures to support employees experiencing family and domestic violence	74.3	76.1	74.8

The proportion of organisations with a formal policy and/or strategy to support employees experiencing family and domestic violence has increased steadily from 2013-14, rising by 7.1 percentage points to 39.3% in 2015-16. A substantially larger proportion of organisations offer some measure to support employees experiencing family and domestic violence (74.8%). These measures include employee assistance programs, training programs and paid and unpaid leave.

## GEI 5 – consultation with employees on issues concerning gender equality in the workplace

The reporting questionnaire captures information around how employers consult with employees on issues concerning gender equality in the workplace. This includes consultation by way of employee surveys, focus groups, consultative committees and performance discussions.

Despite improvement in this area, more than half of organisations do not consult with employees on the issue of workplace gender equality. The percentage of organisations that do consult with employees on issues concerning gender equality in the workplace was:

- ➔ in 2013-14 - 47.6%
- ➔ in 2014-15 - 47.0%
- ➔ in 2015-16 - 48.9%.

## GEI 6 – sex-based harassment and discrimination

Employers are required to report on policies and strategies relating to sex-based harassment and discrimination in the workplace through the reporting questionnaire. The percentage of organisations with a formal policy and/or strategy on sex-based harassment and discrimination prevention was:

- ➔ in 2013-14 – 96.1%
- ➔ in 2014-15 – 97.0%
- ➔ in 2015-16 – 97.7%.

The *Sex Discrimination Act 1984*, as well as applicable state-based anti-discrimination and equal opportunity legislation, set out what constitutes unlawful sex discrimination. These contribute to a high level of awareness about the risks of sex-based harassment and discrimination. Consequently, it could be inferred that most organisations have pre-existing policies relating to sex-based harassment and discrimination.

Organisations are required to indicate whether training on sex-based harassment and discrimination prevention is provided to all managers. The percentage of organisations that provided such training in the relevant reporting period is set out below:

- ➔ in 2013-14 – 77.6%
- ➔ in 2014-15 – 86.0%
- ➔ in 2015-16 – 83.8%

The collected data could be enhanced by capturing whether similar training is also provided to non-managers.

## Performance against minimum standards

The *Workplace Gender Equality (Minimum Standards) Instrument 2014* sets out minimum standards which apply to employers with 500 or more employees. These employers must have policies and/or strategies in place to support one or more of the gender equality indicators specified in column one of the table below. Such policies and/or strategies must aim to achieve the particular objective for a gender equality indicator specified in the corresponding column two of the table below.

Gender equality indicator	Objective
Gender composition of the workforce	Supporting gender equality in the employer's workplace
Equal remuneration between women and men	In relation to employees of the employer, equal remuneration between women and men
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	Flexible working arrangements for employees of the employer with caring responsibilities
Sex-based harassment and discrimination	Sex-based harassment and discrimination prevention in the employer's workplace

If an employer that is required to meet a minimum standard does not do so, it will have a further two reporting periods to improve against the standard before it may be deemed non-compliant by the Agency. Due to the timing of the introduction of the minimum standards, it will not be possible for organisations to be non-compliant in this regard until the end of the 2016-17 reporting period.

For 2015-16, 99.8% of organisations with 500 or more employees satisfied this minimum standard. This is in large part driven by the very high percentage of reporting organisations with a policy relating to sex-based harassment and discrimination (99.4%).

The following table shows the percentage of organisations that have a policy against each of the gender equality indicators. It includes "all reporting organisations" as well as for the said organisations with 500 or more employees.

**Table 13:** Performance against minimum standards – % with a policy in place

Gender equality indicator	All organisations	500+ employees
Gender composition of the workforce	87.6%	93.0%
Equal remuneration between women and men	14.0%	23.3%
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	56.5%	68.8%
Sex-based harassment and discrimination	97.7%	99.4%
<b>Policy against at least one gender equality indicator</b>	<b>98.9%</b>	<b>99.8%</b>
<b>Policies against all four gender equality indicators</b>	<b>11.9%</b>	<b>20.8%</b>

From these results, it can be seen that complying with the current minimum standard is a minimal imposition on Australian businesses. We believe that this is partially attributable to the *Sex Discrimination Act 1984*, as well as applicable state-based anti-discrimination and equal opportunity legislation. These contribute to a high level of awareness about the risks of sex-based harassment and discrimination. Consequently, it could be inferred that most reporting organisations have pre-existing policies relating to sex-based harassment and discrimination. To the extent that they do, this automatically meets the existing minimum standards. Based on this data, consideration should be given to periodically reviewing the minimum standards in order to drive improvement in areas beyond sex-based harassment and discrimination.

# Improving reporting and data collection

The following issues have been identified as a way of improving the reporting and collection of gender equality data.

## ➔ Streamlining online reporting

During the three years of full reporting under the Act, feedback from reporting organisations has consistently raised concerns regarding the onerous nature of reporting.

The Agency is committed to ensuring reporting is as streamlined and accessible as possible while maintaining the security and integrity of the data in addition to catering for varied levels of sophistication in the IT systems of reporting organisations.

Each year our Capital Funds of approximately \$200,000 are used to enhance the online reporting system. Improvements to the clarity of instructions and ease of functionality are high priorities. We welcome constructive feedback from our users and consult widely with them on changes. Some important changes made to date have been the introduction of a pre-population function for the reporting questionnaire, auto correct for common errors in the workplace profile and simplification of the AUSkey login process.

We have received significant interest from the software community in developing products to automate processes on their clients' systems or provide alternative platforms.

We have met with several developers to clarify important issues such as information definitions and encryption. We have also drawn on the expertise and cooperation of the Standard Business Reporting team at the Australian Taxation Office (ATO) and our own third party IT provider Genix Ventures Pty Ltd to commence drafting the technical details these developers require. We plan to make this documentation available through our website in advance of the 2018 reporting year.

The Agency does not endorse any particular developer or developers rather we work with all interested parties to assist reporting organisations to meet their legislative obligations. Importantly, current reporting arrangements will remain available to all organisations regardless of any new software products which may be released to the market.

## ➔ Non-manager Working Group

In 2015, the then Minister for Employment established a working group to consider options to improve workplace gender equality reporting in the non-manager occupational categories, ensuring that employers gain increased understanding of the reporting elements without bearing increased costs.

The Working Group recommendations included that the Australian and New Zealand Standard Classification of Occupations (ANZSCO) should be maintained as the classification system for non-manager occupational categories.

Further, that a Standard Business Reporting pilot be developed and tested by the Workplace Gender Equality Agency in collaboration with the ATO including testing reporting at ANZSCO level 4 for non-manager occupational categories.

Working with the ATO, Standard Business Reporting (SBR) team, Project Accelerate was formed to investigate how an SBR-like solution could work for reporting under the Act.

The partnership with the SBR team has been of great benefit to the Agency in assisting us to better define our system requirements in line with existing taxonomy through a detailed form and information analysis.

Project Accelerate has also explored whether a solution similar to Single Touch Payroll may be applicable to employers' reporting under the Act and concluded this was not viable at this time.

The Agency is grateful for the cooperation of the ABS which has agreed to make its auto-coding tool available as the project continues to investigate the best means to assist employers to capture non-manager occupational categories at ANZSCO level 4. Some employers have indicated that they already undertake this deeper analysis of their workforce.

In response to feedback received we will also be scoping additional and alternative means of accepting workplace profile data beyond the encrypted spreadsheets currently used and are consulting within government and the software community to this end.

In addition, the Agency will continue to monitor any relevant developments across government including any recommendations arising from the Productivity Commission's inquiry into data availability and use.

The Agency's first priority at all times is to administer the Act. The work undertaken by Project Accelerate to date has diverted considerable Agency resources from other activities. Progress will continue, however the pace of progress will, by necessity, be constrained by resourcing and the Agency's priority to deliver on work falling within its statutory mandate.

The security of the data of our reporting organisations remains the highest priority for the Agency. At this time there are no plans to remove the existing requirement for the use of a secure login to our portal to upload reports.

# Data management

## ➔ Review of the Agency's existing data governance and management practices

The Agency has the strategic mission of leading, influencing and inspiring change to promote gender equality in Australian workplaces by utilising its world-leading dataset. The Agency views its data as a strategic national resource and is committed to managing data holdings in a way that is consistent with best practice and the Australian Government Public Data Policy.<sup>v</sup> In November 2016, the Agency engaged an external consultant to review its existing data governance and management practices.

The review found:

*"[The Agency] has a committed, professional workforce with good skills, structure and tools to perform its data management tasks. It appears to be coping with current demand in a professional and competent manner, and has had no major data privacy, security or confidentiality issues. It is committed to ongoing improvements in data quality, and has allocated considerable resources from a limited budget to this task".<sup>vi</sup>*

The review made a number of recommendations aimed at ensuring that the Agency is able to continue to effectively manage its data into the future. The key recommendations of this review are:

1. the development of a data governance framework that integrates existing Agency practices, procedures and policies
2. the development of metadata management system to create an enduring record of the data captured by the Agency
3. continued strong relationships with external ICT providers
4. continued education, training and support of staff in their data management tasks.

The Agency is in the process of responding to the findings of this review. In doing so, it is engaging with the Public Data Branch in the Department of Prime Minister and Cabinet to ensure that the development of any data management tools and solutions are consistent with those being developed across other areas of government.

# Broader commentary on the legislation

## Changing nature of work

The Agency is a participant in the Future of Work Champions forum convened by the Department of Employment, which aims to understand and explore the changing nature of work.

It is projected the future of work will result in labour market changes, with positive, negative and mixed results, such as the rise of the gig economy, which may see a further increase in casual employment.

It is important that the Act and reporting matters remain relevant to contemporary workplaces in promoting and improving gender equality. Given the impact on employers is not yet fully understood, the Agency's underlying legislation may need to be changed in the future so it captures information that provides insight into how the labour market is transitioning. The Agency considers that this could include requiring employers to report on the number and gender of independent contractors they engage.

## Scope of the dataset

Under the Act, the Agency collects data from non-public sector employers with 100 or more employees. While this gives us considerable insight into some 40% of Australian employees, it excludes small business and the public sector. It is recognised that a disproportionate burden on resourcing would be required of small business to report to the Agency. However, the Agency has, on numerous occasions, been asked by organisations with fewer than 100 employees if they could report to the Agency. A consideration could be given, in the future, to voluntary reporting to the Agency by such organisations. Expanding the scope of the Agency's dataset to include public sector employees from all levels of government could be considered and may be achievable. Similarly to organisations with fewer than 100 employees discussed above, a consideration could be given, in the future, to voluntary reporting to the Agency by the public sector. This would create a much fuller and accurate picture of gender equality across the Australian economy.

## Mandatory public reporting of pay gaps - international trends

A number of OECD countries, such as the United States,<sup>vii</sup> United Kingdom and Germany are in the process of implementing gender reporting schemes covering organisational gender pay gaps and other gender equality metrics. Austria and Belgium have already implemented reporting schemes.

As part of the reporting schemes, some organisations in the United Kingdom<sup>viii</sup> and Germany<sup>ix</sup> will have to ensure their gender pay gaps are publicly available.

Starting in April 2017, all non-public employers in the United Kingdom with 250 or more employees will be required to publish particular pay information annually, including the mean and median gender pay gaps and the proportion of women and men employees in four different pay bands. The data will be published on the employer's website, and accompanied by a written statement from a director or senior employee confirming its accuracy. The Agency will be monitoring the impact of this new legislation on gender equality outcomes, particularly any change in the gender pay gap.

## Sanctions for non-compliance

Each year, the Agency names organisations that have been assessed as not complying with the Act in its annual report to the Minister. These are referred to as "non-compliant organisations". The Agency also maintains this list of non-compliant organisations on its website.

The following table sets out the number of non-compliant organisations and the number of reporting organisations for each reporting period, as referred to in the respective annual report:

**Table 14:** Snapshot of non-compliant organisations

Reporting period	Non-compliant organisations	Reporting organisations
2013-14	44 (as at 13 November 2014)	4,456
2014-15	44 (as at 12 November 2015)	4,686
2015-16	74	4,707

The above numbers were correct as at the date of printing the relevant annual report. However the non-compliant list changes as employers report to the Agency. An up-to-date list of non-compliant organisations is available on the Agency's website. For the 2015-16 reporting period, as at 22 February 2017, there are 69 non-compliant organisations listed on the Agency's website.

It is noted that from the 2015-16 reporting period and beyond, the Agency will allocate fewer resources to pursuing non-compliant organisations.

The Act relevantly notes that non-compliant employers "may not be eligible to compete for contracts under the Commonwealth procurement framework and may not be eligible for Commonwealth grants or other financial assistance".<sup>x</sup>

Organisations submitting tenders for Government contracts must demonstrate compliance with the Act (if they are defined as a relevant employer under the Act). This is outlined in the WGEA Procurement Guidelines and supported by the Commonwealth Contracting Suite.

In terms of grants or other financial assistance, these are generally administered by individual departments who determine their own criteria, including whether recipients are required to be compliant with federal legislation, in accordance with applicable Commonwealth Grants Rules and Guidelines.

Until recently it has been difficult to find a centralised list of funding/grant schemes available within Government including a list of all recipients. As such, it has been very difficult to ascertain for which schemes non-compliant employers are ineligible, and which non-compliant employers may be receiving Commonwealth funding.

With the introduction of the centralised Grant Support website by the Department of Finance in February 2017, the Agency sees an opportunity for eligibility for receipt of Commonwealth grants and other financial assistance to be contingent on compliance with the Act. Consideration could be given to specifically and clearly articulating this in the Commonwealth Grants Rules and Guidelines.

### Reporting on non-binary genders

In line with the Act's focus on addressing the historical inequality between women and men in the workplace, employers are required to report on women and men. We recognise that many government agencies are redefining gender categories to be more inclusive of people who do not identify as female or male. The Agency has regularly received feedback from employers and other stakeholders regarding the absence of an option for reporting on employees who do not identify as female or male. Recognising that this is an issue, the Agency will work with the Department of Employment and other relevant Commonwealth agencies to research and consider this issue in greater detail.

## Opportunities to improve and streamline the gender equality dataset

In the course of reviewing and analysing the data collected from three years of full reporting, the Agency has identified opportunities to streamline and improve the gender equality dataset. These are set out below.

### ➔ Collecting data on age

A key outcome of improving workplace gender equality is to increase the long-term economic security of women in retirement. The Agency's November 2015 submission to the Senate Inquiry into the Economic Security for Women in Retirement highlighted the implications of Australia's current gender pay gap on gender equality in Australia. Most notably, the current gap in superannuation on retirement shows women retiring with superannuation balances that are, on average, half that of men.<sup>xi</sup> In order to more effectively understand how workplace gender inequality affects long-term economic security, a future reporting requirement could be for employers to report on employee age. This would complement the data already captured relating to gender, occupation and remuneration. Having a clearer picture of the relationship between gender workforce composition and age across Australian industry would provide a better understanding of the appropriate policy mechanisms that may be initiated to address workplace gender issues. Based on our experience of dealing with reporting organisations over the last three years of full reporting, we are of the view that the overwhelming majority of reporting organisations already collect the date of birth of employees in their HR systems.

### ➔ Return to work from parental leave

Employers are required to report on the proportion of employees who have ceased employment during or at the end of parental leave. The Agency hears anecdotal evidence that the first 12 months after parental leave is a high-risk period for women to disengage from the workforce, due to challenges balancing work and caring commitments. The Agency's data on this "hotspot" for women's workforce participation is currently incomplete.

### ➔ Involuntary exits

There is a requirement for employers to report on the number and proportion of employees who have resigned, by gender, employment status and manager/non-manager. Resignations are voluntary exits by employees but involuntary exits or redundancies can be another form of discrimination against women. The Agency hears anecdotal evidence of part-time employees and women on parental leave being disproportionately impacted by redundancy. Currently the Agency does not capture information on redundancies or other involuntary exits (other than for those not returning from parental leave as discussed above).

### ➔ Corporate structure

Under sub-clause 1.1.2 of Schedule 1 of the *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)* (Instrument), employers are required to report disaggregated data by gender on managers.

Currently, employers may provide this information in the context of the parent entity/group hierarchy, or alternatively the individual employing entity within the group. Whilst most employers are reporting on this data as it relates to the employing entity, a significant number of organisations are reporting as it relates to their parent entity/group hierarchy.

To compare gender performance across employers and industries consistently, the Agency has stated its expectation that organisations should provide this information on managers as it relates to each individual employing entity within the group, not as it relates to the parent/group hierarchy. However this distinction is not specified in the Instrument so employers are not required to comply with the Agency's stated expectation.

This ambiguity in the Instrument is creating inconsistencies in the reporting data, limiting the ability of the Agency to make robust inferences about gender equality outcomes for industries and some organisations.

The Agency is of the view that consideration needs

to be given to addressing this ambiguity so that employers are required to report on data as it relates to individual employing entities.

#### ➔ Carer's leave

Currently, employers have to indicate whether "carer's leave" is available (see sub-clause 4.9.7, Schedule 1 of the Instrument).

The National Employment Standards set out in the *Fair Work Act 2009* include "paid personal/carer's leave" as an employee entitlement.<sup>xii</sup> As such, the Agency is of the view that requiring employers to report on its availability is duplication and not needed. Therefore, removing sub-clause 4.9.7, Schedule 1 of the Instrument should be considered.

#### ➔ Equity partners

Currently, employers are required to report on:

- the number and proportion of employees awarded promotions by gender, employment status and manager/non-manager<sup>xiii</sup>;
- the number and proportion of employees who have resigned by gender, employment status and manager/non-manager<sup>xiv</sup>; and
- the proportion of employees who took a period of parental leave who ceased employment during, or at the end of that period (including where the parental leave is taken continuously with any other leave type), by gender and manager/non-manager.<sup>xv</sup>

The interpretation of the term "employee" excludes equity partners in professional services firms. Given the representation of women in this category is an ongoing gender equality issue, the Agency considers that more meaningful insights could be gained by amending this terminology so that equity partners are included.

This would make it consistent with sub-clause 1.3,

Schedule 1 of the Instrument that requires employers to report on "the composition of applicants appointed to positions by gender and by manager/non-manager". This terminology does not limit reporting to employees only.

#### ➔ Superannuation on parental leave

Superannuation is a critical issue for women's economic security but the Agency does not currently collect data on the number of employers paying superannuation on either employer-funded paid parental leave, or government-funded paid parental leave.

This could be addressed by adding a future reporting requirement that employers report on whether superannuation is paid for carers while on paid parental leave.

#### ➔ Reporting levels to the CEO

As distinct from the issue of reporting at entity level outlined in the Corporate Structure section above, sub-clause 1.1.2 of Schedule 1 of the Instrument requires employers to report disaggregated data by gender on managers, including distance from the CEO or equivalent (referred to by the Agency as "reporting levels to the CEO").

Even in simple corporate structures, we know from feedback that many employers struggle in interpreting this requirement. As a result we are very cautious about the accuracy of this data. Feedback received from organisations tells us that employers in general do not describe managers as levels of reporting from the CEO. Therefore many employers spend considerable time interpreting this requirement and applying it to their circumstances.

In addition, determining each manager's reporting

level to the CEO is far more challenging for corporate structures if they are required to report at the individual employing entity level. For example, managers that work in one subsidiary may report to a manager who works in another entity. This non-hierarchical approach can make it difficult for the subsidiary to determine how many reporting levels a manager is to its CEO/head of business.

Data relating to "reporting levels to the CEO" is not considered to be relevant to many employers. From the Agency's perspective, the data is not of sufficient quality to be of value. Consideration should therefore be given to removing this requirement. Based on feedback, removing this requirement would save considerable time for employers.

#### ➔ Sex-based harassment and discrimination training for employees

Employers are required to report on whether, and how frequently, workplace training is provided for managers on the prevention of sex-based harassment and discrimination.

There are opportunities for organisations to change their approach and reduce the incidence of sexual harassment, by placing greater emphasis on the role that bystanders can play (those who observe sexual harassment) through education and skills-based training. The Agency considers that there would be value in adding another reporting matter asking employers whether all employees (not just managers) receive this training and, if so, how frequently it is provided.

#### ➔ Uptake of flexible work

Employers are required to report on the availability of employment terms, conditions and practices including flexible hours of work, compressed working weeks, time-in-lieu, telecommuting, part-time work, job sharing, carer's leave, purchased leave, unpaid leave and other. Many employers have policies or other processes in place that make flexible working arrangements available to employees but there are often workplace culture issues that prevent individuals utilising these arrangements. This is a significant barrier to women and men participating fully in the workplace, and being able to share caring responsibilities. Collecting data on the number of employees utilising these flexible working arrangements, in addition to the availability of these flexible working arrangements, would present a clearer picture of the extent to which flexibility, or lack of it, is impacting upon gender equality in Australian workplaces.

#### ➔ Exploring these opportunities

The above commentary summarises the key insights we have gleaned from collecting data and feedback we have received from employers and other interested stakeholders. Further exploration, including a comprehensive consultation process with relevant stakeholders, would be undertaken prior to any actions being taken on issues outlined in this report. The Act outlines the consultation requirements for the making and amendment of any legislative instrument.

# Recommendations from other public reports

The Agency acknowledges that there have been two public reports which have made recommendations referencing the Agency and its collection of data: the report from the Senate Economics References Committee in April 2016 “A husband is not a retirement plan – achieving economic security for women in retirement” (Senate Inquiry report)<sup>xvi</sup> and the report by the Australian Human Rights Commission: “Willing to work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability (2016)”, (“Willing to Work report”)<sup>xvii</sup>.

The Senate Inquiry report drew heavily on Agency data and cited the Agency’s submission and recommended that:

*“The committee recommends that the Australian Government continue to support the work of the Workplace Gender Equality Agency and ensure that it is adequately resourced.”<sup>2</sup>*

The ‘Willing to Work’ report stresses that in order to effect change and monitor progress in the process of increasing workforce participation the report recommends:

*“As an integral part of monitoring and tracking progress of the national strategies the Inquiry recommends that the Australian Government consider expanding the role of the Workplace Gender Equality Agency (WGEA) to become the Workplace Gender Equality and Diversity Agency. This monitoring would support increases in the labour force participation of older people (Recommendation 4) and people with disability (Recommendation 26). An expanded and adequately resourced agency would, over time, collect data, publicly report on progress against voluntary targets, and engage collaboratively with employers and business to reduce employment discrimination. This expanded role would be incorporated into the agency’s supporting legislation.”<sup>xviii</sup>*

As outlined on page 25 of this report, the Agency supports the collection of date of birth for employees.

<sup>i</sup> Australian Institute of Company Directors, (2016), ‘30% by 2018: Gender diversity progress report’, AICD Quarterly Report, vol. 6, September – November, p.4, [http://aicd.companydirectors.com.au/~media/cd2/resources/advocacy/board\\_diversity/pdf/genderdiversityquarterlyprogressreportvol6.ashx](http://aicd.companydirectors.com.au/~media/cd2/resources/advocacy/board_diversity/pdf/genderdiversityquarterlyprogressreportvol6.ashx).

<sup>ii</sup> Bear, S., Rahman, N., & Post, C. (2010), ‘The impact of board diversity and gender composition on corporate social responsibility and firm reputation’, *Journal of Business Ethics*, 97(2), p. 207–221 and Catalyst (2007), ‘The Bottom Line: Corporate Performance and Women’s Representation on Boards’, viewed 20 February 2017, <http://www.catalyst.org/knowledge/bottom-line-corporate-performance-and-womens-representation-boards>.

<sup>iii</sup> Australian Bureau of Statistics Average Weekly Earnings (May 2016), viewed 1 February 2017 <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>.

<sup>iv</sup> Clare, R. (2015), ‘Superannuation account balances by age and gender’ (Sydney: Association of Superannuation Funds of Australia).

<sup>v</sup> Australian Government Public Data Policy Statement (2015), viewed 1 February 2017, [https://www.dpnc.gov.au/sites/default/files/publications/aust\\_govt\\_public\\_data\\_policy\\_statement\\_1.pdf](https://www.dpnc.gov.au/sites/default/files/publications/aust_govt_public_data_policy_statement_1.pdf).

<sup>vi</sup> WGEA (2016) Internal Review of Data Governance and Management Practices.

<sup>vii</sup> U.S. Equal Employment Opportunity Commission. Viewed 24 January 2017, <https://www.eeoc.gov/>.

<sup>viii</sup> UK Government Equalities Office (2016), ‘Nowhere left to hide for gender inequality’, viewed 1 February 2017, <https://www.gov.uk/government/news/nicky-morgan-nowhere-left-to-hide-for-gender-inequality>.

<sup>ix</sup> Bundesministerium fuer Familie, Senioren, Frauen und Jugend (2016), ‘Gesetz fuer mehr Lohngleichheit’, viewed 1 February 2017, <https://www.bmfsfj.de/bmfsfj/aktuelles/alle-meldungen/gesetz-fuer-mehr-lohngerechtigkeit-/111732>.

<sup>x</sup> See *Workplace Gender Equality Act 2012*, beneath simplified outline in section 18.

<sup>xi</sup> See discussion in the Agency’s November 2015 submission to the Senate Inquiry into the Economic Security for Women in Retirement, citing Clare, R (2014), ‘An update on the level and distribution of retirement savings’, (Sydney: Association of Superannuation Funds of Australia).

<sup>xii</sup> Fair Work Act 2009, Chapter 2, Part 2–2, Division 7, Subdivision A, ‘Paid personal/carer’s leave’.

<sup>xiii</sup> *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)*, sub-clause 1.4, Schedule 1.

<sup>xiv</sup> *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)* sub-clause 1.5, Schedule 1.

<sup>xv</sup> *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)* sub-clause 4.8, Schedule 1.

<sup>xvi</sup> Parliament of Australia (2016), ‘A husband is not a retirement plan: achieving economic security for women in retirement’, viewed 1 February 2017, [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Economic\\_security\\_for\\_women\\_in\\_retirement/Report](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Economic_security_for_women_in_retirement/Report).

<sup>xvii</sup> Australian Human Rights Commission (2016), ‘Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability’, viewed 1 February 2017, <http://www.humanrights.gov.au/our-work/disability-rights/publications/willing-work-national-inquiry-employment-discrimination>

<sup>xviii</sup> *Ibid*, p.14.

<sup>2</sup>See recommendation 2 at page xi of the Senate Inquiry report.

[www.wgea.gov.au](http://www.wgea.gov.au)

