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Submission from the Australian Federation of Graduate Women (Inc) to The Hon. Jenny Macklin MP, Minister for Families, Community Services and Indigenous Affairs on the Workplace Gender Equality Act 2012.

1. Introduction

The Australian Federation of Graduate Women (formerly the Australian Federation of University Women) is one of seventy-one national affiliates of the International Federation of University Women, the only education-based NGO with status with UNESCO. We are the national body of the Federation, which has Associations and branches in the Australian Capital Territory, Queensland, New South Wales, Victoria, South Australia and Western Australia. By adding our voice to other submissions by interested parties, we are continuing the century-long involvement of our Association with the progress towards gender equality in Australian society.

We are pleased to have the opportunity to make this submission, and are happy for the contents to form part of the public agenda. AFGW would welcome further opportunities to be involved in any ongoing consultation process.

By promoting the education of women, AFGW aims to improve the independence of women as individuals and as equal bearers of family responsibilities. Without equal pay for work of the same merit, women in Australia are prevented from using their educational qualifications to attain the same level of financial independence and security as their male colleagues. We are also concerned about the lack of women being promoted to higher management positions and appointed to company boards.

AFGW is pleased to note that this government has recognised that the momentum created by previous government interventions has not only stalled, but, as their own research has shown, in some areas ground has been lost.

2. AFGW Focus of Interest of this Submission

While we support the aims of this legislation for all women at all levels of employment, the focus of this submission is the identification of reporting parameters that can be used to

increase the employment of women at senior management and board levels in the belief that women in these senior positions act as role models and stimulate gender equality.

Currently available targets and benchmarks for gender equity need to be reviewed regularly to determine if they are appropriate and effective, however, AFGW submits that the proposed reporting system must provide statistically valid data sets to be of use. In other words, the reports must establish well-defined benchmarks or 'targets' and there must be a statistical descriptor of success or failure with respect to target levels. At present, data collection is skewed towards more junior positions. It cannot be extrapolated to make inferences about the statistical behaviour of the classification of 'senior management.' Consequently, government departments and agencies, employers and independent observers such as AFGW, cannot determine whether targets are being met, as per the Memorandum of Explanation.

The remainder of this submission will address the following two Gender Equality Indicators:

- women's representation in leadership positions in workplaces and on governing bodies,
- equal remuneration for work of equal value, between women and men.

3. Women's representation in leadership positions in workplaces and on governing bodies

Governing Bodies

AFGW submits that reporting must try to identify where and why women are not making headway in obtaining senior management and board positions. Currently, women are significantly under-represented on governing bodies and boards. There has been an improvement at lower levels, there is little major corporations are doing enough to identify and appoint women as directors or members¹.

AFGW notes that although the Government has decided against affirmative action legislation, it has recognised that the concentration of women in senior positions is an area of specific importance and reporting interest. This position is in agreement with the following statement taken from the 2009 Australian Human Rights Commission Submission to the Australian Government Office for Women.

It is important that the Australian Government also models better gender diversity on boards by establishing a target of a minimum of 40% of each gender on all Australian Government boards. These targets should be publicly disclosed, time bound and regularly reported on in a transparent manner.²

¹ EOWA Australian Census of Women in Leadership. Available online at http://www.wgea.gov.au/Information_Centres/Resource_Centre/WGEA_Publications/WGEA_Submissions_To_Inquiries/nsw_ofw_policy_consultation_paper_wobc.doc.

² Australian Human Rights Commission Submission to the Australian Government Office for Women: *Inquiry into the Equal Opportunity for Women in the Workplace Act 1999 and Equal Opportunity for Women in the Workplace Agency*. [Accessed 20/01/2013]

However, AFGW submits that this statement should be extended to the various governing bodies, decision making boards, councils or other management entities of all educational institutions which receive funding from Government sources as well as to the boards of all publicly listed companies.

Leadership Positions

AFGW believes that targets for leadership positions within government, industry and commerce, and higher education need to be urgently addressed. We therefore expect publically accessible reports to include sensible hard data that will provide a clear picture of the current situation, and valid evidence of how and where change must be implemented by the reporting entities. AFGW submits that reporting on recruitment processes should be improved.

Equal remuneration for work of equal value, between women and men

While the entitlement of women to equal pay has been an accepted theory by business and industry for many years, its actual application has never been properly realised. Women still lag behind men in amounts earned over a life-time career. The jobs which are largely performed by women are amongst the lowest paid. Despite high levels of education, women are poorly represented in the upper echelons of business, industry and educational institutions.³

The need for equal remuneration for work of equal value is evident in the 2012 decision by Fair Work Australia to grant pay rises to 150,000 of Australia's lowest paid workers in the social and community services sector – the majority of whom were women.

That Fair Work Australia determined that the work of women in general was undervalued, and that gender was an important contributor to that pay gap, highlights the importance of ensuring true equity in remuneration for work of equal value becomes a lawful right.

The Workplace Gender Equality Act will make achievement of this long overdue right easier, but the goal of equal remuneration must be reflected in the statement of actual goals. The Act is sensitive to the needs for individual privacy and commercial confidentiality, but Government must not allow businesses to withhold relevant data on these pretexts.

4. Analysis of Reporting Requirements

AFGW agrees that the reporting requirements should be set by disallowable instrument because this will give the flexibility of on-going review as researchers identify where the reporting fails to provide the kind of desirable data set that has been previously described.

The Government has stated in its Memorandum of Explanation that there should be “Greater emphasis on outcomes rather than processes in Employer Reporting Obligations”. We

3. Australian Council of Trade Unions. Equal Pay and Better Jobs for Women. Available online at <http://www.actu.org.au/Campaigns/EqualPay/default.aspx> [Accessed 20/01/2013]

support the move to push businesses and institutions from rhetoric to reality, from explaining what they are ‘trying to do’ to actual implementation of established goals.

AFGW submits that the changes required to accommodate the new reporting requirements will need close observation. To this end, and to ensure that the reporting requirements produce valid and reliable statistical data, AFGW submits the following for inclusion in the Draft Framework:

- a) target statements that include a definition of the time period,
- b) a set of measures that are accurately defined,
- c) a list of metrics identifying data points that allow comparisons for research purposes,
- d) a list of measures that reflect the gender-equality culture within an organisation, which can be best evaluated by their existence or non-existence.

a. Time Period

The time period could reflect the concept of reporting period, i.e. ‘within 2 reporting periods’, or an actual target date, e.g. 30 June 2015. A consistent approach is necessary so that the data collected can be used in comparisons.

b. Definitions

AFGW notes the difficulty of defining jobs at this upper stratum of the workforce. We refer the Hon. Minister to the following article from the Australian Bureau of Statistics for reference regarding the points we make here.

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/66f306f503e529a5ca25697e0017661f/176EB288428057F3CA25697E00184D40>

Different terms will be used in different companies to describe an employee’s level, but the term ‘level’ is largely undifferentiated in standard classifications of occupations, such as ANZCO, for senior managers and above. Moreover such classifications address the concept of skill levels within jobs relative to the job itself, which is not the same as the skill level of the job-holder. Identifying whether there is a gender-based difference in actual skill levels of job-holders is, we believe, important.

To summarise, the set of measures requiring careful definition at management and board level includes, but may not be confined to:

- Distance from the CEO. This is an interesting concept, and one that will be useful if it can be adequately defined for reporting purposes, to the extent that this measure is appropriately determined, to help define job classifications at senior levels. There will be companies that have a very linear chain of command, and others which have a complex network hierarchy. However this measure will be indicative of the extent to which the job-holder has the power to initiate change in the company. It will be important for the discussion of gender bias in employment by showing how far any woman is from the centre of decision-making.
- Job Classification. Aligning job classifications to the distance from the CEO creates a more effective measure of women’s roles within the workplace, their authority or lack of it since job descriptions or classifications can be difficult to interpret. Measures such as remuneration, educational qualifications and other skill indicators,

and measures of promotion versus years working, will be included among indicators for cross-gender comparisons.

- Profile of men and women in senior management roles. The profile for both genders should include, but not be limited to: number of employees, number of part-time employees, number of employees on parenting leave, number of employees with school-age children or younger, number of employees job-sharing, number of employees able to work flexible hours, or from home.

c. Measurable Outcomes

A person's salary and other financial remuneration are the major component of employment equality; however, AFGW acknowledges that at different times an employee's primary focus might be to negotiate other work benefits, such as flexible hours or additional holiday leave. Nevertheless, AFGW believes that the following list is the minimum required for meaningful analysis of gender equality in the workplace:

- remuneration, including bonuses (perhaps averaged over a 3 year period),
- the age of the women and men at the different levels of employment,
- the number of years of continuous years of employment, or continuous employment by contract, with the company
- the number of vacancies that arose at senior management or higher levels within the period of reporting,
- the number of vacancies were filled as a result of the company head-hunting a particular candidate, and whether that candidate was male or female,
- in the case of senior appointments data reported might include:
 - the number of female and male applicants,
 - the proportion women and men interviewed,
 - the gender of the successful applicant,
 - the how many of the male applicants interviewed saw the company as an equal-opportunity employer

Ideally, staff would be surveyed to indicate their opinion of the company or institution as an equal-opportunity employer.

d. Outcomes Measured as 'Existent or Nonexistent'

AFGW submits this list of measures which reflect the gender equality culture within an organisation and which are best evaluated by their existence or non-existence:

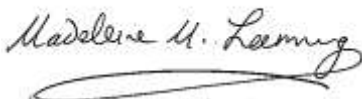
- the extent to which the company makes an effort to convey positive message about being an equal-opportunity employer. This might be ascertained using the following:
 - retention and promotion of women is a key performance indicator when evaluating the performance of senior management and assessing eligibility for incentive payments such as bonuses,
 - advertisements for the company showing both women and men in a manner that models gender equality in the work-force,

- the public availability of clear policies on sexual harassment and appropriate training or other measures that enable management to recognise and deal with sexual harassment appropriately,
- the availability of
 - part-time work,
 - flexible working hours,
 - parenting leave (i.e. both maternity and paternity leave following the birth or adoption of a child),
 - carers leave,
 - the option to work from home, where operationally it can be accommodated,
 - provision of childcare, or the ability for employees to monitor children using internet technology.
- the public availability of information about flexible working hours, childcare assistance and parental leave entitlements on the company web-site.

4. Conclusion

AFGW submits that women and men, despite their differences, make an equal contribution to society. The contribution of women, on average measures, is undervalued in real financial terms and often unacknowledged and undervalued because of bias in workplace culture with respect to recruitment and other employment practices, particularly at senior levels. We are hopeful that the Workplace Gender Equality Act (2012) will define success goals in verifiable terms, and require data to be collected in reliable and valid forms that can be used to in the pursuit of the goal of gender equality. AFGW will be happy to respond to any of the matters raised in this submission, and, like many interested groups in the community, will continue to monitor the situation in future.

Submitted on behalf of the Australian Federation of Graduate Women.



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This submission was prepared by Ms Jenny Jones, Secretary, AFGW Inc with the assistance of Ms Dalma Jacobs, Graduate Women Queensland and Dr Madeleine M. Laming, President, AFGW Inc.