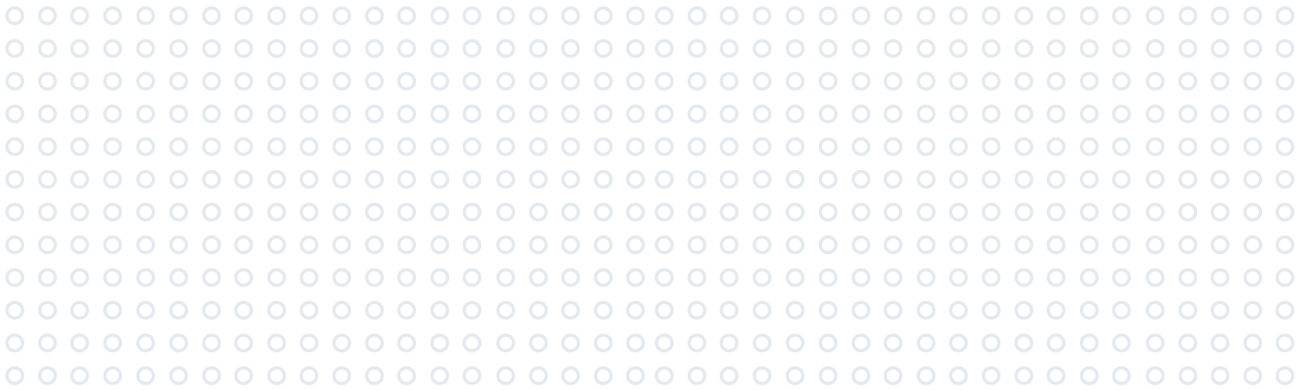


Business  
Council of  
Australia



Submission to the Department  
of Families, Housing, Community  
Services and Indigenous Affairs  
on Reporting Matters under the  
Workplace Gender Equality Act  
2012

FEBRUARY 2013

*Working to achieve  
economic, social  
and environmental  
goals that will benefit  
Australians now and  
into the future*

## **About the Business Council of Australia**

The Business Council of Australia (BCA) brings together the chief executives of 100 of Australia's leading companies. For almost 30 years, the BCA has provided a unique forum for some of Australia's most experienced corporate leaders to contribute to public policy reform that affects business and the community as a whole. Our vision is for Australia to be the best place in the world in which to live, learn, work and do business.

**The Business Council of Australia appreciates the opportunity to make a submission to the Department of Families, Housing, Community Services and Indigenous Affairs on the options for business reporting on workplace gender equality indicators set out in the December 2012 issues paper.**

**These options include the:**

- **number of men and women employed, their base pay, performance pay, length of service, hours worked, occupation, leave taken, promotion and specific terms and conditions of employment**
- **number of men and women on governing bodies**
- **workplace consultation and human resources strategies that affect gender equity.**

**We understand that minimum standards for these reporting matters against which individual businesses will be assessed, will be issued under section 19 of the Workplace Gender Equality Act 2012 (Cth).**

The BCA has supported effective workplace initiatives that aim to improve gender equity, as well as efforts to remove barriers to workforce and community participation.

For this reason, we strongly support the work of the Workplace Gender Equality Agency (WGEA) in reporting on gender equality in the workplace and advising and assisting employers to improve and promote gender equality. This includes its role in undertaking research and advising on best practice work arrangements in industry.

**Recommendations:****The BCA:**

- **does not support any additional business reporting on workplace gender equity issues because:**
  - **we consider that the most effective way of increasing the adoption of work arrangements that increase gender equality, and for WGEA to achieve its legislative objectives, is through the dissemination of information that showcases the benefits of such arrangements**
  - **sufficient information is already available to enable WGEA to undertake its work. There is no need to duplicate available information and unnecessarily increase business reporting and compliance costs**
  - **the issues paper only lists possible business reporting options. There are no proposed minimum standards, benchmarks or discussion of the relative merits of each reporting option.**
- **considers that reporting matters cannot be established until benchmarking has occurred and minimum standards developed.**
- **encourages government to engage with the business community around reporting and benchmarking to develop an effective approach to improving gender equity in the workplace.**

Additional reporting requirements on business should only be included in the legislative instrument if:

- a data gap were identified after examining existing data sources
- the cost to the WGEA and business of obtaining any additional information is justified on the basis that it would improve gender equity in the workplace.

**Reducing regulatory burden on business**

Sufficient data is already available on the gender equality indicators to enable WGEA to complete its reports to the public and the minister on trends and issues in gender equality in the workplace. For example:

- Gender composition of the workforce can be sourced through labour force data collected by the Australian Bureau of Statistics.
- Gender composition of governing bodies of relevant employers is monitored by the Australian Institute of Company Directors.
- Equal remuneration between women and men is also monitored by the Australian Bureau of Statistics and Graduate Careers Australia.
- Information on relevant employment terms, conditions and practices and the level of consultation with employees on workplace gender equality issues, can be obtained from workplace agreements collected by the Fair Work Commission.

There is a risk that the legislative instrument would impose substantial new compliance costs on business, particularly through the provision that businesses provide retrospective information from 2000 onwards.

In a letter of 8 September 2011 to Senator the Hon. Penny Wong, Minister of Finance and Deregulation, the BCA requested deferring the imposition of additional reporting requirements and the setting of minimum standards until a thorough and independent business impact assessment is conducted. While a Regulatory Impact Statement (RIS) was completed for the Equal Opportunity

for Women in the Workplace Agency's new regulatory functions, the costs and benefits to the agency, business and the broader community were not quantified. These costs are expected to be large because cost was given as a reason for not requiring the public sector to be subject to the new requirements. It is inconsistent to exempt the public sector from the reporting requirements due to cost pressures, but mandate them for the private sector despite these costs.

It will be difficult to complete a business impact assessment until minimum standards and specific reporting requirements are proposed. This assessment should also consider the option of obtaining any additional data from surveys targeting sectors where particular issues are identified, rather than from all businesses employing more than 100 people.

## **Conclusion**

The BCA strongly supports the objective of gender equality in the workplace.

To remove the risk of duplicating existing reporting requirements while adding substantially to business compliance costs, the BCA recommends that the minister should only request additional reporting from business after an assessment is made of:

- the considerable information already available on gender equality in the workplace, and evidence provided of any gap
- the impact on gender equality that would result from addressing this gap.

Were a need for additional data identified, the BCA understands that the Australian Government requires that the legislative instrument be the subject of a Regulatory Impact Statement.

We encourage the government to engage with the business community to develop an effective approach to improving gender equity in the workplace.

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