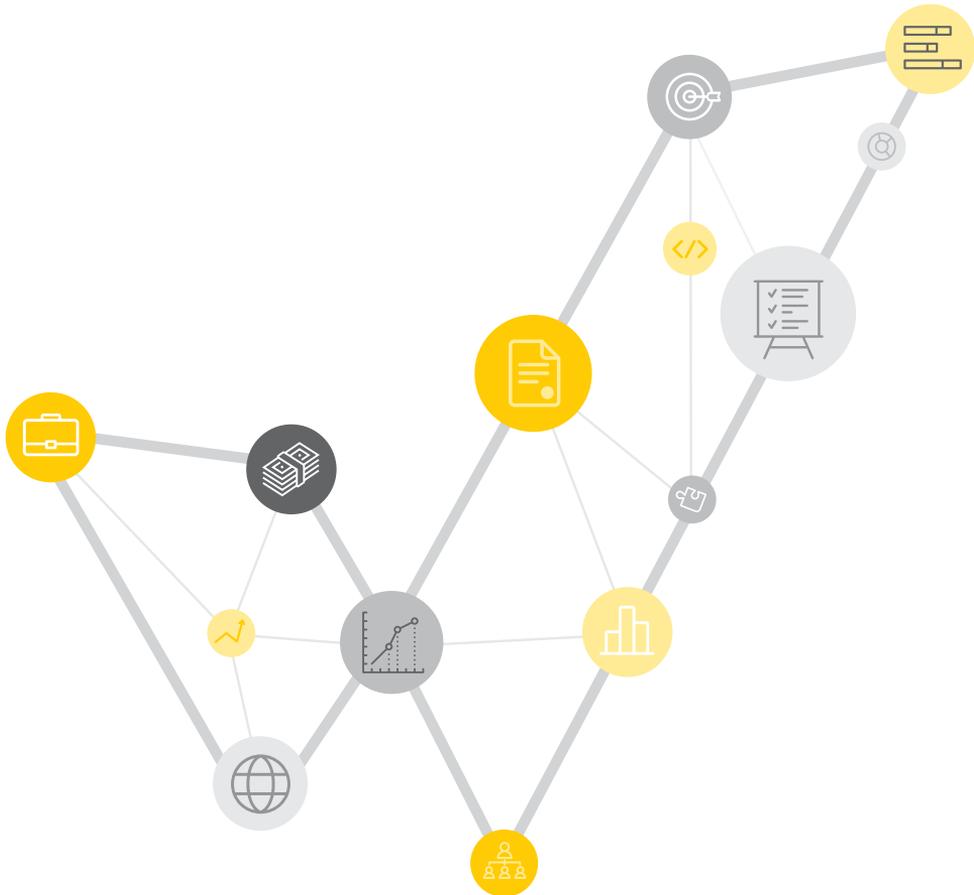


Progress Report

2017 - 18



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An electronic copy of this report is available at:

<https://www.wgea.gov.au/sites/default/files/documents/wgea-progress-report-2017-18.pdf>

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27 February 2019

Hon Kelly O'Dwyer MP
Minister for Women
Parliament House
Canberra ACT 2600

Dear Minister

I have pleasure in presenting to you this progress report of the Workplace Gender Equality Agency (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. The Agency's first progress report under the Act (2014-16 Progress Report) was submitted to Senator the Hon Michaelia Cash, as the then Minister for Employment, on 28 February 2017.

Approval was granted by you to provide this report by the end of February 2019, so as to include insights from the 2017-18 reporting data.

Yours sincerely

A handwritten signature in black ink, appearing to be "Libby Lyons".

Libby Lyons
Director

Foreword from the Director

After five years of data collection by the Workplace Gender Equality Agency (the Agency), we have developed a detailed picture of the state of gender equality in organisations across Australia. The results from our datasets emphasise the importance of measuring workplace gender equality. Our data shows that change for the better is happening in Australian workplaces.

Over the five years of reporting, we have seen a strong increase in employer action on gender equality. As employers have taken action, gender equality outcomes have improved and the gender pay gap has declined. There has been solid growth in the number of women moving into management roles and increased employer commitment to promoting flexible work.

The Agency's data also shows the areas where more effort has to be made. Gender segregation remains deeply entrenched across Australian industries, occupations and workplaces and access to employer-funded parental leave has virtually stalled. Although the proportion of women in management has increased, most senior roles, especially at the CEO level, are still dominated by men. Disappointingly, there has been virtually no improvement in the number of women around Australia's boardroom tables. However, despite the frustrating lack of progress in some areas, the many positive trends in our data make me hopeful and optimistic about the ongoing momentum for gender equality in Australia.

There has also been growing international interest in the Agency's work and Australia's approach to gender equality reporting and data collection. A number of countries and individual organisations contacted the Agency for information, advice and guidance. I delivered presentations at the UN Committee on the Status of Women in New York, at the Fourth Global Forum on Business for Gender Equality in Santiago, Chile and visited Argentina to attend the W20 Summit. I also visited Singapore for the Singapore-Australia High Level Women's Dialogue and Vietnam, Japan and Korea to help the Department of Foreign Affairs and Trade (DFAT) with the work they are doing to promote gender equality in the region.

The release of our fourth and fifth comprehensive sets of workplace data in 2017 and 2018 generated significant media and public interest. Both received extensive media coverage in all the major metropolitan newspapers and many TV, radio and online outlets. Subsequent launch events were held in every state and the ACT and attracted over 1000 people in both years. These events were held in partnership with the Committee for Economic Development for Australia (CEDA) in 2017 and the Australian British Chamber of Commerce in 2018.

The Agency's data over the first five years has provided us with insights and understanding about the policies and practices that are making a difference. The results from our data and the ever-increasing interest in our work show that our efforts to improve gender equality in Australia's workplaces are making a notable difference. What we need to see more of over the coming years is further and targeted employer action to deliver ongoing improvements in gender equality outcomes in Australian workplaces. It is my hope, and indeed my mission, that the Agency's activities continue to deliver meaningful change for all women and men at work in the years ahead.



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 subsequent two-year period.

This report is the second progress report submitted by the Agency under the Act. The Agency's first progress report under the Act (2014-16 Progress Report) was submitted to Senator the Hon Michaelia Cash, as the then Minister for Employment, on 28 February 2017.

This report covers comprehensive workplace data collected from reporting organisations over five reporting periods, being 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. It also sets out key insights gleaned from the data and feedback received from employers and other interested stakeholders. In order to provide meaningful commentary about issues arising over the last two years of reporting and data analysis, this report covers the five full years of reporting.

The Agency is also required to submit to the Minister 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 2017-2018 annual report.

Under the Act, relevant employers are required to report to the Agency annually. Relevant employers are non-public sector employers with 100 or more employees.

Any reference to "employers" in this report means a relevant employer under the Act for reporting purposes (unless otherwise stated). Therefore, the terms 'employer' and 'relevant employer' are used interchangeably (unless otherwise stated).

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 has delivered a comprehensive picture of gender equality across approximately 40% of the Australian workforce for five years.

Since the 2014-16 Progress Report, there has been continued improvement against the key gender equality indicators. The dataset has grown each year and the 2017-18 dataset was the largest since the Agency's inception. The comprehensive nature of the dataset shows areas of good progress and also identifies key indicators as well as industries where progress is slow or has stalled.

The overall gender pay gap has continued to decline. However, there are some significant variances between industries. In the last two reporting periods, the pay gap has decreased steadily in the Financial and Insurance Services sector whereas it has increased in the Health Care and Social Assistance sector and the Construction industry.

In November 2018, the Federal Government announced that it was providing \$8 million to the Agency to upgrade its reporting and data management system to improve reporting on workplace gender equality in Australia.

This announcement addresses some of the frustrations experienced by reporting organisations about the cumbersome nature of the reporting system. The upgraded system will enable the Agency to better sort and analyse the data collected, allow for the submission of voluntary data, streamline the reporting process, and reduce the time and cost to business of reporting to the Agency. It will also enable public sector employers to voluntarily report on their pay gaps for the first time, potentially increasing the size of the Agency's dataset to approximately 75% of Australian employees, from the current 40%.

The Agency's data provides an invaluable tool for researchers and policy makers. During the period since the 2014-16 Progress Report, our research partnerships deepened our understanding of how to achieve workplace gender equality in Australia. The ongoing partnership with the Bankwest Curtin Economics Centre (BCEC) produced two Gender Equity Insight reports providing detailed analyses of the Agency's data. In 2016, the Agency partnered with the Diversity Council of Australia and KPMG on a detailed analysis of the causes of the national gender pay gap. In 2017, the Agency collaborated with McKinsey & Company and the Business Council of Australia to produce *Women in Leadership: Lessons from Australian companies leading the way*; a ground-breaking report identifying how high-performing companies had 10 common practices that they utilised to improve women's career progression and increase the representation of women in leadership.

As the size and scope of the dataset has matured, the Agency has observed that there are a number of changes that should be made in order to provide a more detailed and comprehensive picture of gender equality in Australian workplaces. Many of these issues were raised in the 2014-16 Progress Report and remain unchanged.

Over the course of five 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, in this report, the Agency makes a number of recommendations to improve and streamline gender equality reporting and data, as well as to strengthen compliance mechanisms. These are summarised below:

1. Consideration should be given to reviewing the minimum standards to drive improvement in areas beyond sex-based harassment and discrimination.
2. Relevant employers be required to submit reports in unit level data.
3. Relevant employers be required to report on data as it relates to individual entities within corporate structures, not as it relates to the group hierarchy.
4. Relevant employers be required to give information on when they selected their employee data, specifically:
 - i) A reporting organisation's point-in-time data must be no sooner than six months following the last snapshot date.
 - ii) The snapshot date to be included in the reporting organisation's report.
5. Mandatory reporting for all tiers of government should be phased in over time.
6. Relevant employers be required to report on the number and gender of people they engage under a contract for services each year (that is, independent contractors).
7. Relevant employers be required to provide non-manager data to the fourth hierarchical structure of the ANZSCO classification structure.
8. Relevant employers be required to report on the date of birth of their employees.
9. Relevant employers be required to provide the number of hours of engagement of part-time employees.
10. Relevant employers be required to report on the number and proportion of employees who have ceased employment within 12 months from returning from parental leave, by gender, employment status and manager/non-manager category.

11. Relevant employers be required to report on the number and proportion of employees who have involuntarily exited the organisation, by gender, employment status and manager/non-manager category.
12. Professional services firms be required to include partners when reporting on promotions, resignations and those who cease employment during, or at the end of, a period of parental leave.
13. Partnerships be required to report separately on the number of equity, partial equity and non-equity partners, by gender, employment status and manager category.
14. Relevant employers be required to report on whether they pay superannuation while employees are on parental leave, both paid and unpaid.
15. Relevant employers be required to report on the provision and frequency of workplace training on sex-based harassment and discrimination for all employees.
16. Relevant employers be required to report on the uptake of formal flexible working arrangements.
17. Remove the requirement for employers to report on the availability of carer's leave in their workplace.
18. Remove the requirement for relevant employers to report on reporting levels to the CEO.
19. Removal of the value of the procurement thresholds in the Workplace Gender Equality Procurement Principles.
20. Receipt of Commonwealth grants and other financial assistance for reporting organisations be contingent on compliance with the Act.

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 (not just those required to report to the Agency) and the assessment and measurement of workplace gender data. It is established by the Act.

Role and functions

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

- advise and assist [all] employers (not just those required to report to the Agency) 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 the 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. In November 2018, the Government announced that it was providing \$8 million to the Agency to upgrade its reporting and data management system to improve reporting on gender equality in Australian workplaces.

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. During the period from 2016-2018, the Agency offered a program of webinars to support employers to report annually. Our 2018 reporting webinars and Q&A sessions were attended by 1765 people while our popular gender pay gap statistics fact sheet was regularly downloaded.
- Research: The Agency's research partnerships have deepened our understanding of how to improve workplace gender equality in Australia. During the reporting period, we released two Gender Equity Insight reports with the Bankwest Curtin Economics Centre, partnered with the Diversity Council of Australia and KPMG on a detailed analysis of causes of the national gender pay gap and collaborated with McKinsey & Company and the Business Council of Australia to produce a ground-breaking report presenting evidence-based insights to address the under-representation of women in leadership.
- Employer engagement: The Agency works closely with employers to promote gender equality and highlight best practice. As at January 2019, 158 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.

- WGEA Employer of Choice for Gender Equality (EOCGE) citation: The EOCGE citation is the Agency's leading practice recognition program that is voluntary and separate to compliance with the Act. All employers covered under the Act are able to apply for the citation. As part of the Agency's commitment to continually improving the standard of leading practice in workplace gender equality, the citation is reviewed every five years to ensure it continues to reflect best practice and remains relevant and accessible to employers. In 2017, the Agency undertook a strategic review of the citation and a revised version has been developed and is effective from 2019-20. It reflects findings from the latest academic research into drivers of improved gender equality outcomes and consultation with gender equality experts and practitioners, industry groups and employers. The citation includes criteria under seven focus areas and examines employees' lived experience within individual workplaces.

The number of employers who meet the EOCGE criteria has grown steadily from 74 in 2013-14 to 120 in 2017-18, reflecting a 62% increase. The Agency regularly consults with employers of choice on key gender equality issues, showcases their initiatives through media, case studies 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 the 2016-17 and 2017-18 reporting periods, Agency representatives participated in 164 speaking engagements, which included keynote addresses, roundtables and panel discussions. The series of national events for our annual data launches in November 2017 and November 2018 each attracted 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 and roles. The Agency achieved 679 media mentions in 2017-18 which increased to 927 media mentions in 2018-19. There was a similar improvement in the media coverage for the annual national data launch. The 2017 launch generated over 150 print, online and broadcast media items with an estimated reach of nearly six million people while the 2018 launch achieved over 268 print, online and broadcast media items with an estimated reach of almost 10 million people: a 48% increase in coverage and a 10.9% increase in audience reach on the previous year.
- Competitor Analysis Benchmark Reports: The data collected from each employer is converted 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. In the 2016-17 reporting period, summarised versions of these reports were sent to the CEOs of selected reporting organisations to support stronger engagement with their organisation's benchmark measures and improve gender equality outcomes.

- Inter-governmental collaboration: Since the 2014-16 Progress Report, the Agency has worked with the Office for Women to develop a number of measures to meet the objectives of the Women's Workforce Participation Strategy, a government-wide initiative aimed at reducing the workforce gender participation gap by 25% by 2025. These included:
 - expanding gender reporting to the public sector on a voluntary basis
 - expanding the Agency's best-practice recognition program (the WGEA EOCGE citation) to the public sector
 - creation of an awards program to recognise outstanding initiatives
 - inclusion of small and medium enterprises in the Agency's programs.

In November 2018, the Government announced it was providing \$8 million over four years to fund an upgrade of the Agency's reporting and data management system. Planning for, and design of this new system, will facilitate a fit-for-purpose solution to deliver on these opportunities.

- Global reach: The Agency's work and Australia's distinctive approach to workplace gender equality reporting has received increased international interest and recognition. In 2018, the Agency engaged with government officials and delegations from UK, New Zealand, the ASEAN Secretariat, Japan, Chile, Argentina, Vietnam, Kuwait, Sri Lanka, Singapore, South Korea, China and Mauritius. The work of the Agency was highlighted at the United Nations 62nd Commission on the Status of Women in New York, in collaboration with the Business Council of Australia and BHP. The Agency has also been represented at other international fora in Chile, Argentina, Singapore, Vietnam, Japan and Korea. Australia's workplace gender equality reporting scheme was also identified as a comprehensive framework in the Organisation for Economic Co-operation and Development (OECD) report *The Pursuit of Gender Equality: An uphill battle*.¹

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 the 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. From 7 October 2016 to 7 December 2018, there were 77,305 downloads of the public reports from the Agency's website.

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 2018, the Agency released the fifth comprehensive set of workplace data. The 2017-18 dataset is based on 4,644 reports covering over four million employees across Australia. This accounts for over 40% of employees in Australia.

Progress achieved in relation to the GEIs

Over the five years of full reporting, there has been steady progress towards gender equality against most of the six gender equality indicators. Progress is most noticeable in areas where organisations have 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 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.

GEI1 – gender composition of the workforce

The data below includes information captured via the organisational workplace profile relating to the gender composition of each reporting organisation’s workforce, or, where applicable, multiple organisations covered in the report. The data is disaggregated by occupational category and level of seniority. In addition, information is captured in the reporting questionnaire on appointments, promotions and resignations of employees as well as gender equality policies and/or strategies in place in each workplace.

Women in leadership

The representation of women across all manager categories has grown consistently from 2013-14 to 2017-18. Overall, the representation of women declines steadily with progression to the higher levels of seniority. Over the period, there was only a 1.4 percentage point (pp) increase in the number of female CEOs (up to 17.1% in 2017-18).

Currently, some organisations have reported on the gender composition of their workforce as it relates to their group hierarchy rather than the entity. In this scenario, because women often head up smaller subsidiaries within a corporate structure, these women have not been captured as the head of business for those separate subsidiaries. The Agency has been proactively working with these employers to assist them in reporting at entity level. It is possible that as a result of this work, we will see the number of female CEOs and heads of business increase.

Table 1: Percentage of women by management category

Management Category	2013-14	2014-15	2015-16	2016-17	2017-18
CEO/Head of business	15.7	15.4	16.3	16.5	17.1
Key management personnel (KMP)	26.1	27.4	28.5	29.7	30.5
Other executives/general managers	27.8	29.3	30.1	30.4	31.3
Senior managers	31.7	33.0	34.1	34.9	35.2
Other managers	39.8	40.0	40.8	41.9	42.6
All	35.9	36.5	37.4	38.4	39.1

Gender equality in non-manager roles

Table 2 shows there has been minimal improvement in occupational segregation. Whilst there has been an increase in the number of women working as Labourers (up to 32.5% in 2017-18), overall occupational segregation remains entrenched.

Table 2: Percentage of women in non-manager roles

Non-manager occupations	2013-14	2014-15	2015-16	2016-17	2017-18
Professionals	51.7	52.5	53.4	53.2	53.3
Technicians and trade	11.8	11.7	11.6	12.4	14.6
Community and personal service	73.5	71.7	71.5	71.9	71.7
Clerical and administrative	75.6	74.6	75.1	74.4	74.1
Sales	59.7	59.2	59.6	60.0	59.9
Machinery operators and drivers	10.8	11.3	11.9	12.3	12.6
Labourers	28.0	31.1	31.3	32.5	32.5
Other	43.9	42.7	40.8	36.9	40.0

Gender equality policies and strategies

Table 3 shows 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 identifying gender equality as a priority and they are actively adopting policies and/or strategies in their workplaces.

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

Policy and/or strategy area	2013-14	2014-15	2015-16	2016-17	2017-18
Recruitment	72.9	75.9	78.6	80.3	82.7
Retention	48.2	52.5	54.6	59.6	62.7
Performance management processes	60.9	65.3	68.4	71.6	75.5
Promotions	55.7	60.2	62.3	66.5	69.3
Talent/high potential identification	47.2	51.6	55.3	61.2	65.6
Succession planning	44.4	48.4	52.1	58.4	62.7
Training and development	63.8	68.1	70.8	74.1	76.9
Key performance indicators for managers relating to gender equality	18.1	22.2	23.4	28.4	31.4
Gender equality overall	66.2	68.4	70.7	71.5	74.3

Employee movement

The proportion of women appointed to manager roles remained stable with 43.3% of appointments going to women in 2017-18 (Table 4). The percentage of managerial appointments and promotions that went to women is higher than their current representation in manager roles (39.1%). This is a positive move towards increasing the female leadership pipeline within organisations and creating a stronger talent pool from which to appoint female managers into the future.

Similarly, in 2017-18, 51.7% of appointments in the non-manager category went to women. However, over the same period, more women than men resigned in the non-manager category.

Table 4: Percentage of women for appointments, promotions and resignations, 2015-16 to 2017-18

Managers	2015-16	2016-17	2017-18
Appointments (includes promotions)	42.6	43.4	43.3
Promotions	44.1	45.1	46.0
Resignations	42.7	43.1	44.1
Non-Managers	2015-16	2016-17	2017-18
Appointments (includes promotions)	51.0	52.2	51.7
Promotions	49.0	47.9	48.8
Resignations	54.0	53.9	53.6
All (combined)	2015-16	2016-17	2017-18
Appointments (includes promotions)	50.5	51.4	50.9
Promotions	47.8	47.2	48.1
Resignations	53.2	53.1	52.9

Note: Relevant employers were required to report on appointments, promotions and resignations for the first time from the 2015-16 reporting period.

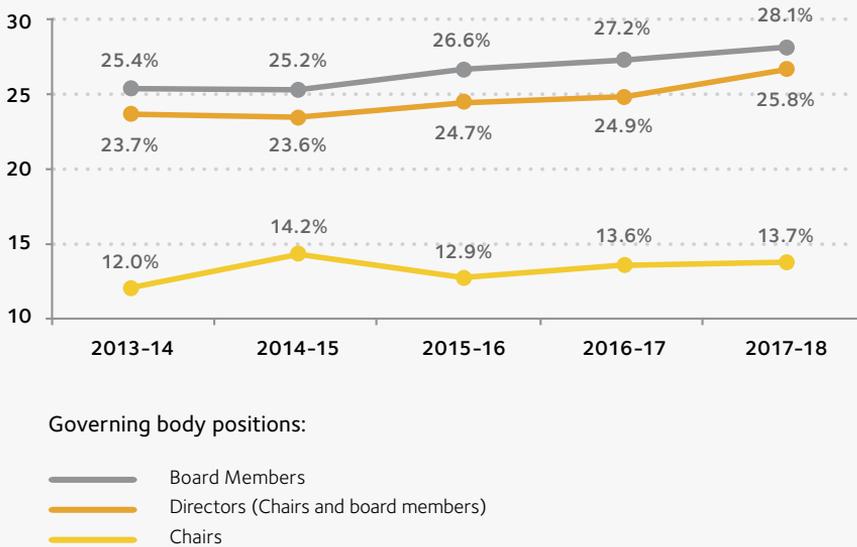
The Agency's data continues to show steady increases in women's representation in leadership and a strong increase in organisational commitment to address gender inequality in the workplace. Despite this, occupational segregation in non-manager roles is slow to change.

GEI2 – 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.

Women are still underrepresented at the highest leadership levels. There have been marginal gains in the overall representation of women on governing bodies/boards from 2013-14 to 2017-18 (Chart 1). There was a 2.7pp increase in female board members between 2013-14 and 2017-18. The percentage of female Chairs has increased by 1.7pp (to 13.7% in 2017-18).

Chart 1: Women's representation on governing bodies/boards



The Agency's questionnaire also captures the percentage of governing bodies/boards with a target to increase the representation of women on their governing body/board. The percentage of governing bodies/boards with a target in place has remained low, with only 8.2% of governing bodies/boards reporting a target in 2017-18 (Table 5).

Table 5: Governing bodies/boards that have a gender target

Governing bodies/boards that have a gender target	2013-14	2014-15	2015-16	2016-17	2017-18
Number of governing bodies/boards	4,273	6,014	6,021	5,846	5,887
Number of governing bodies/boards with target	381	968	765	458	482
Percentage of governing bodies/boards with target	8.9%	16.1%	12.7%	7.8%	8.2%

GEI3 – equal remuneration between women and men

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

In addition, the 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 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.

Gender pay gaps

The gender pay gap has declined in most industries and across most manager and occupational categories between 2013-14 and 2017-18. The improvement is consistent with increased representation of women in manager roles, which typically attract higher levels of remuneration.

The gender pay gap reflects the difference between women and men’s average remuneration. The causes of the gender pay gap 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 gender pay gap declined between 2013-14 and 2017-18, reflecting improvements against some of these indicators.

The Agency calculates both base salary and total remuneration gender pay gaps from data collected through our annual census of Australian non-public sector employers with 100 or more employees.

The base salary gender pay gap is calculated on the full-time salaries of women and men. The total remuneration gender pay gap also includes payments in addition to base salaries such as superannuation, bonuses, discretionary pay, overtime and other entitlements and allowances.

The full-time total remuneration gender pay gap of 21.3% in 2017-18 demonstrates that there is still considerable improvement required to address the economic inequality between women and men in Australia.

Table 6 shows that the full-time gender pay gap has decreased from 2013-14 to 2017-18 by 3.7pp for base salary and 3.4pp for total remuneration. Table 6 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. Between 2013-14 and 2017-18, the total remuneration gender pay gap has decreased in 13 out of 19 industries. However, between 2015-16 and 2017-18, the total remuneration gender pay gap has decreased in 15 out of 19 industries.

Table 6: Gender pay gaps 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				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Accommodation and Food Services	11.4	10.8	10.4	11.0	11.5	11.7	10.9	11.4	11.9	12.4
Administrative and Support Services	24.7	21.2	12.0	14.0	14.5	23.0	20.7	14.8	15.9	13.7
Agriculture, Forestry and Fishing	20.0	19.3	18.9	21.6	20.7	21.6	20.9	21.8	25.7	23.7
Arts and Recreation Services	21.3	19.9	20.2	19.8	17.7	22.8	21.0	21.1	20.5	19.0
Construction	18.7	20.4	22.6	21.5	24.3	25.4	26.3	28.0	27.4	29.4
Education and Training	7.3	7.3	7.4	8.7	7.9	9.6	9.3	9.4	10.6	9.7
Electricity, Gas, Water and Waste Services	13.9	15.2	13.4	12.7	11.4	19.3	21.5	20.0	18.7	16.1
Financial and Insurance Services	28.4	27.3	26.0	24.4	23.1	36.1	35.0	33.5	31.9	30.3
Health Care and Social Assistance	14.6	16.1	13.7	14.6	14.4	16.4	18.1	14.7	15.7	16.1
Information Media and Telecommunications	20.1	20.2	19.3	19.5	19.1	25.4	23.3	23.5	22.7	21.8
Manufacturing	12.0	11.0	11.0	10.4	9.8	14.9	14.1	14.2	13.9	13.8
Mining	15.3	15.5	12.7	11.3	10.6	17.2	17.6	15.8	14.7	14.0
Other Services	13.2	14.0	9.3	12.5	13.9	17.3	18.3	14.8	15.7	19.9
Professional, Scientific and Technical Services	24.0	22.5	22.0	21.5	20.1	27.9	27.3	27.5	25.4	23.7
Public Administration and Safety	9.9	9.4	9.6	7.3	1.2	9.1	8.7	10.5	9.2	4.9
Rental, Hiring and Real Estate Services	22.2	20.0	21.4	20.9	17.8	25.6	28.4	29.3	31.4	26.3
Retail Trade	13.1	11.3	11.8	11.5	10.3	17.6	15.5	16.2	16.3	15.5
Transport, Postal and Warehousing	19.6	19.0	17.8	18.5	15.9	22.6	21.4	21.9	21.8	19.5
Wholesale Trade	10.1	8.3	6.3	6.3	5.2	11.6	10.5	10.0	9.8	8.5
All Industries	19.9	19.1	17.7	17.3	16.2	24.7	24.0	23.1	22.4	21.3

Table 7 shows that the full-time gender pay gap persists in favour of men across all occupational levels of the workforce. There continues to be a gender pay gap in every occupation, every manager category and every non-manager category. However, the gender pay gap has declined over the five year period in every management category. Between 2015-16 and 2017-18, the total remuneration gender pay gap has declined in 6 out of 8 non-manager categories.

Table 7: Gender pay gaps for base and total remuneration, by occupation

	Full-time base salary gender pay gap					Full-time total remuneration gender pay gap				
	2013 -2014	2014 -2015	2015 -2016	2016 -2017	2017 -2018	2013 -2014	2014 -2015	2015 -2016	2016 -2017	2017 -2018
Key management personnel	24.4	24.0	21.6	20.3	18.5	28.9	29.0	26.6	24.9	24.3
Other executives/ general managers	21.8	19.7	18.1	17.6	15.8	27.5	25.0	24.6	24.0	22.0
Senior managers	19.6	18.5	16.9	16.7	14.5	23.5	22.8	21.7	21.1	18.8
Other managers	22.0	21.4	20.7	19.7	18.7	24.6	24.2	23.8	22.9	21.6
Professionals	19.6	18.8	17.4	17.0	16.3	22.0		19.7	19.4	19.0
Technicians and trade	19.7	18.8	20.6	20.7	20.1	25.2		27.1	26.7	26.4
Community and personal service	1.0	8.8	6.7	6.6	6.8	4.5		10.9	9.1	9.5
Clerical and administrative	7.9	6.7	6.9	6.5	6.0	9.1		8.8	8.4	8.3
Sales	19.1	17.5	17.1	17.6	17.1	23.3		23.5	23.9	23.7
Machinery operators and drivers	12.3	11.0	12.5	11.3	10.2	13.7		16.1	14.9	14.3
Labourers	18.3	15.9	14.6	18.6	16.0	22.8		17.2	21.1	18.3
Other	16.5	19.2	18.3	15.1	14.1	19.0		24.8	22.1	21.1

The downward trend in the Agency's gender pay gap data is consistent with data from other sources. The national gender pay gap of 14.6% is derived from Australian Bureau of Statistics (ABS) data for May 2018. ⁱⁱ This figure is down from 18.3% in May 2014. ⁱⁱⁱ

Similar to the Agency's data, the ABS Average Weekly Earnings data shows that the national gender pay gap has remained stubborn over the past two decades, fluctuating between 14% 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 declines 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 calculated from the Agency's data for 2017-18 is equivalent to an average annual difference of \$15,456. The total remuneration gender pay gap for 2017-18 is equivalent to an average annual difference of \$25,716. The inequality in average earnings leads to a pronounced difference between women and men's average superannuation balances at retirement (age 60-64). Women are retiring with superannuation balances that are, on average, 42% of that of men. ^{iv}

Employer action on gender equality

An increasing proportion of organisations are developing policies and/or strategies with specific gender pay equity objectives. In 2017-18, 40.0% of remuneration policies and/or strategies contained specific gender equality objectives (Table 8).

There was strong growth in the number of organisations analysing their payroll data for gender pay gaps from 24.0% in 2013-14 to 41.6% in 2017-18, representing a 17.6pp increase. There has also been an increase in the percentage of organisations that are taking action as a result of their gender pay gap analysis, up from 46.0% in 2013-14 to 58.5% in 2017-18, an increase of 12.5pp.

However, an 'action gap' remains as 41.5% of employers who conducted a pay gap analysis took no action, although not all of these organisations identified a gap. It is more common for organisations to take action in the Mining, Information Media and Telecommunications and Financial and Insurance Services industries than in the Retail Trade and Health Care and Social Assistance industries.

Table 8: Actions organisations are taking to address gender pay gaps

Action	2013-14	2014-15	2015-16	2016-17	2017-18
Remuneration policy and/or strategy in place	48.9	51.1	53.1	58.5	61.6
Policy and/or strategy contains specific gender equality objectives	18.1	25.6	26.4	36.3	40.0
Conducted a gender pay gap analysis	24.0	26.3	27.0	37.7	41.6
Taken action as a result of gender pay gap analysis	46.0	50.7	56.0	55.7	58.5

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

The data collected in relation to this indicator shows the availability and types of flexible working arrangements. This indicator allows the Agency to report on specific flexible working arrangements that are in place by gender and level of seniority. Information relating to the availability and use of paid parental leave and support for employees experiencing family and domestic violence is also included in GEI4.

Flexible working

The percentage of organisations that have a flexible working policy and/or strategy in place has steadily increased by 13.2pp between 2013-14 and 2017-18:

- in 2013-14 – 57.5%
- in 2014-15 – 60.2%
- in 2015-16 – 62.9%
- In 2016-17 – 68.3%
- In 2017-18 – 70.7%

Table 9 shows the percentage of organisations that offer access to flexible working arrangements to some or all employee groups. It shows that employees' access to different formal flexible working arrangements remained stable.

Table 9: Types of formal flexible working arrangements offered by organisations

Types of flexible work offered	2013-14	2014-15	2015-16	2016-17	2017-18
Carer's leave	92.7	93.2	92.9	92.8	92.1
Flexible hours of work	57.6	57.4	58.5	61.9	62.5
Compressed working week	26.4	26.7	26.1	29.2	30.8
Job sharing	41.5	41.6	39.9	43.6	44.5
Part-time work	81.1	82.5	83.9	83.2	84.1
Purchased leave	27.8	27.8	28.4	33.4	33.2
Telecommuting	28.4	28.3	27.5	31.2	33.0
Time-in-lieu	50.9	50.4	50.9	53.8	54.5
Unpaid leave	78.8	79.5	79.4	82.2	81.7

Parental leave and support for caring

There has been some movement in the proportion of employers offering parental leave and support for caring.

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 increased by 9.2pp between 2013-14 and 2017-18.

The percentage of organisations offering paid parental leave for primary carers remained virtually static between 2013-14 and 2017-18, at 47.8% in 2017-18 (Table 10). There has also been little movement in the proportion of organisations offering paid leave for secondary carers, at 41.8% in 2017-18. The average number of weeks of leave offered remained reasonably consistent.

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

Initiative	2013-14	2014-15	2015-16	2016-17	2017-18
Policy and/or strategy to support employees with family or caring responsibilities	55.1	58.0	56.5	62.0	64.3
Offer paid parental leave for primary carers	48.5	48.2	48.0	45.9	47.8
Average weeks offered primary carers	10.7 weeks	10.6 weeks	9.7 weeks	10.1 weeks	10.3 weeks
Offer paid parental leave for secondary carers	38.8	38.4	39.0	39.3	41.8

Note: The definition for the average weeks of primary parental leave offered changed in 2015-16.

Additionally, in 2017-18, 7.9% of women ceased employment whilst on parental leave compared to 1.3% of men.

Proportion of women (out of all women on parental leave) who ceased employment whilst on parental leave:

- in 2015-16 – 9.7%
- in 2016-17 – 8.6%
- in 2017-18 – 7.9%

Proportion of men (out of all men on parental leave) who ceased employment whilst on parental leave:

- in 2015-16 – 2.0%
- in 2016-17 – 1.2%
- in 2017-18 – 1.3%

The data in Tables 11A and 11B show the proportion of women and men accessing paid parental leave. Of all managerial employees who accessed paid primary carer's leave, female managers represented 90.3% in 2017-18 and men 9.7%. There has been an increase of 1.3pp between 2015-16 and 2017-18 in male managers accessing primary parental leave. Overall, for all employees there has been a slight increase of 0.3pp between 2015-16 and 2017-18 in men taking paid primary parental leave.

Table 11A: Uptake of paid primary parental leave

		2015-16	2016-17	2017-18
Female	Manager	91.6	92.3	90.3
	Non-manager	95.6	95.7	95.5
	All	95.1	95.3	94.8
Male	Manager	8.4	7.7	9.7
	Non-manager	4.4	4.3	4.5
	All	4.9	4.7	5.2

Table 11B: Uptake of paid secondary parental leave

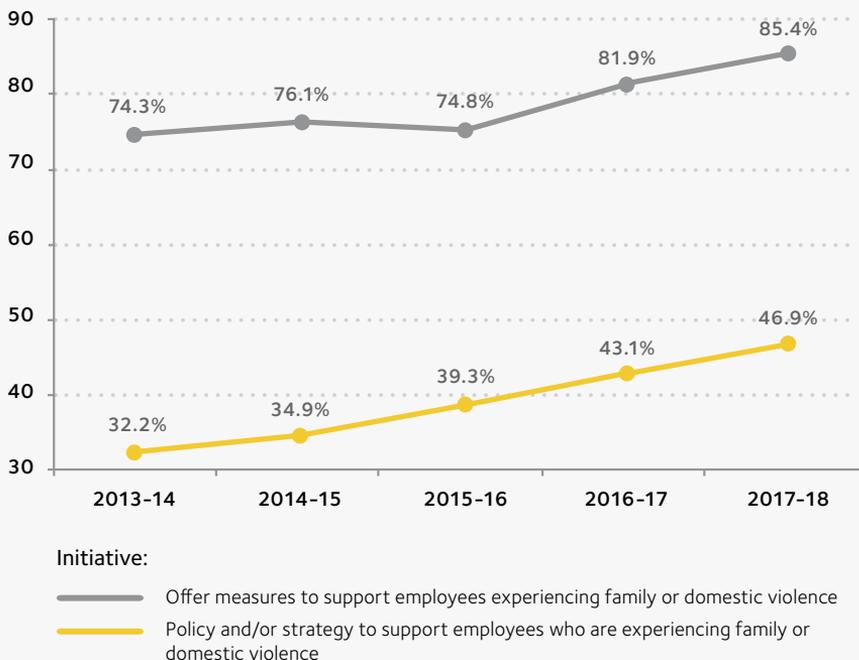
		2015-16	2016-17	2017-18
Female	Manager	5.1	4.3	5.3
	Non-manager	3.9	5.4	6.2
	All	4.1	5.2	6.1
Male	Manager	94.9	95.7	94.7
	Non-manager	96.1	94.6	93.8
	All	95.9	94.8	93.9

Note: Relevant employers were required to report on the uptake of primary and secondary parental leave (and the proportion of employees who ceased employment whilst on parental leave) for the first time from the 2015-16 reporting period.

Support for employees experiencing family or domestic violence

The proportion of organisations with a formal policy and/or strategy to support employees experiencing family or domestic violence has increased steadily by 14.7pp to 46.9% in 2017-18. A substantially larger proportion of organisations offer some measures to support employees experiencing family or domestic violence (85.4%). These measures include employee assistance programs, training programs and access to paid and unpaid leave.

Chart 2: Support for employees experiencing family or domestic violence



GEI5 – consultation with employees on issues concerning gender equality in the workplace

The reporting questionnaire captures information on 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, about half of all 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 has increased by 3.7pp between 2013-14 and 2017-18:

- in 2013-14 – 47.6%
- in 2014-15 – 47.0%
- in 2015-16 – 48.9%
- in 2016-17 – 49.4%
- in 2017-18 – 51.3%

GEI6- Sex-based harassment and discrimination

Employers are required to report on policies and/or strategies relating to sex-based harassment and discrimination prevention 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 is very high:

- in 2013-14 – 96.1%
- in 2014-15 – 97.0%
- in 2015-16 – 97.7%
- in 2016-17 – 97.7%
- in 2017-18 – 97.9%

The Sex Discrimination Act 1984, as well as applicable state-based anti-discrimination and equal opportunity legislation, sets 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 has increased by 8.6pp between 2013-14 and 2017-18, as set out below:

- in 2013-14 – 77.6%
- in 2014-15 – 81.5%
- in 2015-16 – 83.8%
- in 2016-17 – 84.8%
- in 2017-18 – 86.2%

Performance against minimum standards

The Workplace Gender Equality (Minimum Standards) Instrument 2014 sets out minimum standards which apply to relevant employers with 500 or more employees. These employers must have a policy and/or strategy in place to support one or more of the gender equality indicators specified in column one of the table below. This policy and/or strategy must aim to achieve the particular objective for a gender equality indicator specified in the second column 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 has a further two reporting periods to improve against the standard before it may be deemed non-compliant.

For 2017-18, 99.9% 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 and/or strategy relating to sex-based harassment and discrimination (99.3%).

Table 12 shows the percentage of organisations that have a policy and/or strategy against each of the gender equality indicators. It includes "all reporting organisations" as well as those organisations with 500 or more employees.

Table 12: Performance against minimum standards - percentage with a policy and/or strategy in place

Gender equality indicator	2016-17		2017-18	
	All organisations	500+ employees	All organisations	500+ employees
Gender composition of the workforce	88.4	93.6	89.9	94.7
Equal remuneration between women and men	21.3	32.0	24.7	35.1
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	62.0	72.9	64.3	73.9
Sex-based harassment and discrimination	97.7	99.2	97.9	99.3
Policy and/or strategy against at least one gender equality indicator	99.0	99.7	99.1	99.9
Policies and/or strategies against all four gender equality indicators	17.9	27.7	20.9	31.1

The high level of compliance indicates that meeting the current minimum standard has only a minimal imposition on relevant employers. As mentioned above, we believe this is because employers have a policy and/or strategy in place for the prevention of sex-based harassment and discrimination due to a high level of awareness of the risks in this area due to federal and state-based anti-discrimination legislation. As such, this means they automatically meet the existing minimum standard.

Consideration should therefore be given to reviewing the minimum standards to drive improvement in areas beyond sex-based harassment and discrimination.

Improving reporting and data collection

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

The Agency is committed to ensuring reporting is as streamlined and as 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.

In November 2018, the Government announced the provision of \$8 million over four years to fund an upgrade of the Agency's reporting and data management system. Planning for and design of this new system will facilitate a fit-for-purpose solution to make workplace gender reporting easier and more effective.

The new reporting system will streamline the reporting process, including data quality processes, thereby reducing the time and cost to organisations of reporting. The new reporting system will also enable voluntary reporting, such as from the public sector and small businesses.

Over the next two reporting years, the Agency will maintain the current reporting IT system. The Agency will work closely with our third party IT provider Genix Ventures Pty Ltd and make minimal changes.

A detailed discovery process commenced in early 2019 to develop a clear and thorough understanding of the user requirements across key stakeholder groups, including small, medium and large organisations. The consultations will inform the design of the system including the possibility of data being retrieved directly from organisations to the Agency using existing software. The new reporting system will leverage cloud-based infrastructure and commercial off-the-shelf products. It is envisaged that this will be tailored to meet reporting requirements, the needs of reporting organisations and ensure that it is adaptable to allow reporting requirements to evolve with flexible scalability. The system's implementation, along with data migration and transition, is planned for completion by early 2021.

Data governance, policies and procedures

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.

In line with these policies, the Agency developed a data governance framework policy and data management policy in 2017. The Agency’s Data Governance Framework provides a structure for the development, promotion and implementation of good data management practices.

The Agency’s strategic mission is to lead, influence and inspire change to promote gender equality in Australian workplaces utilising our world-leading dataset

Data governance, policies and procedures				
Security, access and privacy	Data management capabilities			Quality control
	Manage the data life cycle	Mine the data for insights	Use the data to communicate	
	Storage	Processing	Reporting	
	Cleaning	Analysis	Sharing	
	Metadata standards	Integration	Analytics	
	Staff education, support and training			
	IT software, systems and support			

The data management policy refers to all data collected by the Agency under the Act that is not deemed to be personal information. It also includes data held in support of the production of the Agency’s reports e.g. Australian Bureau of Statistics data. It excludes data relating to the Agency’s administrative functions e.g. financial or human resource data.

The Agency’s data governance and management processes are developed with a focus on the security and privacy of organisations that report to the Agency in accordance with the Act, supported by a secure ICT infrastructure environment and a commitment to quality control processes.

The Data Standards Working Group consists of members from the Agency and external academic and non-academic experts. It provides data management policy recommendations to the Agency’s Executive Committee for their approval and reviews the Agency’s policies on an annual basis and the Data Governance Framework on a biennial basis.

Recommendations to improve and streamline gender equality reporting and data

After five full years of reviewing and analysing the reporting data, the Agency has identified opportunities to streamline and improve the gender equality dataset. Many of these opportunities were identified in the 2014-16 Progress Report and remain relevant. Adding some additional data points will allow for a more detailed and granular analysis of gender equality in Australian workplaces. These are set out below.

Streamline gender equality reporting

All reporting organisations to report unit level data

Relevant employers provide their data either in unit level or aggregated formats. Over 60% of all reporting organisations submit their data in unit level format. Unit level data is the most granular data. This format lists each individual employee and their associated data separately rather than in aggregated tables. It is a single table listing one employee per line (excluding personal employee information). The Agency's system then calculates the remuneration totals for organisations to review. Providing employee data in this format would make it easy for reporting organisations to also provide other data, such as superannuation, age and part-time hours worked.

Receiving data in unit level form would also remove a number of data quality errors that emerge when organisations aggregate their own data.

Recommendation

Relevant employers be required to submit unit level data.

Collecting data at individual entity level rather than parent/group 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), reporting organisations are required to report disaggregated data by gender on managers.

Currently, reporting organisations may provide this information in relation to the parent entity/group hierarchy, or by the individual employing entity within the group. Most reporting organisations are reporting on this data as it relates to the employing entity. However, there are a substantial number that submit their report as it relates to their parent entity/group hierarchy.

To enable consistent comparison data across employers and industries, 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. However, this distinction is not specified in the Instrument so reporting organisations are not required to comply with the Agency's stated expectation.

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

Recommendation

Relevant employers be required to report on data as it relates to individual entities within corporate structures, not as it relates to the group hierarchy.

Information on when employers select their employee data

Reporting organisations are required to report on the gender composition of their workforce, as at a particular point in time in a 12-month period between 1 April and 31 March in the following year. Technically this means that a reporting organisation can submit exactly the same report two years in a row by virtue of the self-selected date. For example, if an employer chooses 31 March 2017 as their point-in-time date for the 2016-17 reporting period, and then chooses 1 April 2017 for the 2017-18 reporting period (one day later), it is very likely that no changes will have occurred during that 24-hour period and exactly the same report can be submitted.

Closing the current loophole enabling organisations to submit identical data for two consecutive years would ensure that organisations are providing data that is representative of changes in their workforce.

Recommendations

- i. A reporting organisation's point-in-time date must be no sooner than six months following the last snapshot date.
- ii. The snapshot date to be included in the reporting organisation's report.

Expanding the scope of the dataset to public sector

Under the Act, the Agency collects data from non-public sector employers with 100 or more employees. While this gives considerable insight into about 40% of Australian employees, it excludes small business and the public sector.

A number of local, state and federal government departments have approached the Agency about the possibility of reporting on a voluntary basis, partly with an expressed desire to be benchmarked against private enterprise. The inclusion of public sector reporting data would assist to create a comprehensive, more representative and more accurate picture of gender equality across the Australian economy.

Recommendation

Mandatory reporting for all tiers of government should be phased in over time. The Agency suggests that the Australian Public Service should be the first tier of government to be required to report to the Agency.

Improving the gender equality data evidence

Collecting the number and gender of independent contractors

The discussion about the changing nature of work covers many aspects from technological advancements to changing boundaries of firms and the transformation of traditional employment structures. The 2018 ABS data shows that approximately 8% of the 12.6 million people who were employed in Australia were classified as independent contractors.^v Furthermore, the data shows that over 72% of the independent contractor workforce is male.^{vi} Collecting data on the number and gender of independent contractors will provide greater insights into the transforming labour market and any impact it may be having on women's workforce participation and gender segregation.

Recommendation

Relevant employers be required to report on the number and gender of people they engage under a contract for services each year (that is, independent contractors).

Reporting on occupations and jobs – reporting at ANZSCO level 4

To improve workplace gender equality data and the evidence for change, it has long been argued that reporting on occupational categories should expand from Australian and New Zealand Standard Classification of Occupations (ANZSCO) level 1 to ANZSCO level 4 for non-manager occupational categories. This was recommended by the Non-Manager Working Group in 2015, a group established by the then Minister for Employment.

For example, the Agency currently collects data on employees in the major Group 'Technicians and Trades Workers' (ANZSCO level 1). Expanding to level 4 of this non-manager category means the Agency would collect data on 'Automotive Electricians'. This improved description makes it easier for employers to match their job roles to the correct occupational category.

More granular data on occupations and job classifications will enable greater insights from the data, particularly the impact of labour market segmentation as it contributes to the gender pay gap.

Recommendation

Relevant employers be required to provide non-manager data to the fourth hierarchical structure of the ANZSCO classification structure.

Collecting data on employee's age

A key outcome of workplace gender equality is to improve the long-term economic security of women in retirement. The current gap in superannuation on retirement shows women retiring with superannuation balances that are, on average, 42% less than that of men^{vii}.

We know that the average gender pay gap between women and men working full-time generally increases with age up to the mid-50s before decreasing by the age of retirement (around 65 years of age)^{viii}. However, this data is only collected biennially by the ABS and does not offer a breakdown by industries and occupations.

Collecting data on age would enable the adjustment of gender pay gaps and a comparison of salaries within a specific age group. The Agency would be able to determine whether gender pay gaps are lower across different age groups and across different occupational groups. 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.

In addition, collecting data on age would more effectively help understand how workplace gender inequality affects long-term economic security.

Based on the Agency's experience of dealing with relevant employers over the last five 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 human resources systems.

Recommendation

Relevant employers be required to report on the date of birth of their employees to the Agency.

Collecting data on the number of hours part-time employees are engaged

A part-time employee is defined as "an employee engaged to work less than the minimum number of hours a week that your organisation defines as full-time".^{ix} Therefore, the collection of the number of hours worked by each part-time employee would provide a better understanding of the extent of part-time employment.

In addition, more accurate data on the part-time hours an employee worked would enable a more thorough investigation of the gender pay gap as well as superannuation gaps across part-time employment and its implications for women's economic security.

Recommendation

Relevant employers be required to provide the number of hours of engagement of part-time employees.

Expand data collection on returning to work after parental leave

Relevant 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 on return to the workplace is a high-risk period for women to disengage from the workforce, due to challenges faced in balancing work and caring commitments. The Agency's data on this aspect of women's workforce participation is currently incomplete.

Recommendation

Relevant employers be required to report on the number and proportion of employees who have ceased employment within 12 months from returning from parental leave, by gender, employment status and manager/non-manager category.

Report on employees who involuntary exit

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 category. Resignations are voluntary exits by employees. 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).

Recommendation

Relevant employers be required to report on the number and proportion of employees who have involuntarily exited the organisation, by gender, employment status and manager/non-manager category.

Collect data on partners – promotions, resignations, parental leave

Currently, employers are required to report on:

- the number and proportion of employees awarded promotions by gender, employment status and manager/non-manager category^x;
- the number and proportion of employees who have resigned by gender, employment status and manager/non-manager category^x; 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 category^{xii}.

As partners in partnership structures are not legally employees, they are not captured by the provisions of the Instrument related to promotions, resignations or parental leave. Given the representation of women in partnership positions is relevant to their overall representation in these industries, the Agency considers that more meaningful insights could be gained by amending the Instrument to ensure data is collected on people in partnership positions.

Such an amendment 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" categories. This terminology does not limit reporting to employees only.

Recommendation

Professional services firms be required to include partners when reporting on promotions, resignations and those who cease employment during, or at the end of, a period of parental leave.

Partners – disaggregated data on composition and employment status

The representation of women as full and partial equity partners in partnership structures is an ongoing gender equality issue. Currently, professional services firms report on the composition and the employment status of partners as a combined group. Whilst the Agency is able to request that partnerships report separately on the different categories of partners, this is not enforceable.

Recommendation

Partnerships be required to report separately on the number of equity, partial equity and non-equity partners, by gender, employment status and manager category.

Collect data on whether organisations pay superannuation when employee is on parental leave

Superannuation is a critical issue for women's economic security but data is not collected 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 requirement for employers to report on whether superannuation is paid for employees while on paid parental leave.

Recommendation

Relevant employers be required to report on whether they pay superannuation while employees are on parental leave, both paid and unpaid.

Collect data on sex-based harassment and discrimination training for employees

Employers are required to report on the provision and frequency of workplace training 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 is value in requiring employers to report on the provision and frequency of training for all employees.

Recommendation

Relevant employers be required to report on the provision and frequency of workplace training on sex-based harassment and discrimination for all employees.

Uptake of formal flexible working arrangements

Employers are required to report on the existence of a policy and/or strategy on flexible working arrangements, and whether the following employment conditions and practices are available in their workplace:

- 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.

Feedback received by the Agency suggests that the culture of a workplace can be a barrier to employees accessing flexible work practices even when they are available.

Recommendation

Relevant employers be required to report on the uptake of formal flexible working arrangements such as flexible hours of work, compressed working weeks, time-in-lieu, telecommuting, part-time work, job sharing, purchased leave, unpaid leave and other.

Remove collection of data on carer's leave

Employers have to report on the provision of carer's leave that 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. As such, requiring employers to report on its availability is a duplication and not needed.

Recommendation

Remove the requirement for employers to report on the availability of carer's leave in their workplace.

Remove collecting data on reporting levels to the CEO

Employers are required 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").

Feedback from employers is that this is a difficult requirement to meet as this method of describing employee positions does not align with their own reporting structures and processes. Therefore it is not relevant to them. Many employers spend considerable time interpreting this requirement and applying it. Consequently, the Agency has taken a cautious approach to the accuracy and usefulness of this data.

Based on feedback, removing this requirement would save considerable time for relevant employers.

Recommendation

Remove the requirement for relevant employers to report on reporting levels to the CEO.

Strengthening compliance mechanisms

Sanctions for non-compliant organisations

Each year, the Agency names organisations that have been assessed as being non-compliant with the Act in its annual report to the Minister. These are referred to as “non-compliant organisations”. The Agency also maintains a current list of non-compliant organisations on its website.

Procurement framework

The Act 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”.^{xiii}

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

In 2018, the Agency wrote to Commonwealth Departmental Secretaries advising them of the list of non-compliant organisations. The letter requested that departments contact any non-compliant organisations with whom the department had a contract and advise them of their legal obligations under the Act. This prompted a number of organisations to become compliant.

Although the Principles provide a solid framework for procurement officers and suppliers, we believe they can be further improved. Currently, if the value of a supplier’s contract falls below a related procurement threshold, the Principles do not apply. The current thresholds are:

- for FMA Agencies (other than for construction services) the threshold is \$80,000.
- for relevant CAC Act bodies (other than for construction services) the threshold is \$400,000.
- for procurements of construction services by FMA Agencies or CAC Act bodies, the threshold is \$9 million.

There are known examples of a non-compliant organisation providing goods or services to the Australian Government because the contracted amount was below the related procurement threshold.

Recommendation

The value of the procurement thresholds in the Workplace Gender Equality Procurement Principles be removed.

Grants

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

It remains difficult to access a centralised list of all funding and grant schemes available within Government. As such, it is difficult to ascertain for which schemes non-compliant employers are ineligible.

Recommendations

Receipt of Commonwealth grants and other financial assistance for reporting organisations should be contingent on compliance with the Act. Consideration could be given to specifically and clearly articulating this in the Commonwealth Grants Rules and Guidelines or on the GrantConnect website.

Additional observations

Reporting on non-binary genders

The Agency is asked about the absence of data on employees who do not identify as female or male.

The Agency is only able to collect data as it relates to women and men in their workforce and not information about persons of an alternative gender.

As such, any change to enable reporting on non-binary genders would require a change to the Agency's underlying legislation.

Reporting on cultural diversity

The Agency does not collect data on ethnicity. However, the Agency is often asked why this information is not collected.

Collecting data on ethnicity would be valuable for assessing the intersection between gender and ethnicity. The Agency is unaware of any other existing dataset that would provide this information on employees in Australian workplaces.

If government were to pursue the option of collecting this data, advice should be sought about whether the Act, or another legislative mechanism, would be the most appropriate approach for collecting this data.

Conclusion

One pillar of the four pillars published in the WGEA strategic plan is to realise the potential of the data we collect. The purpose of the recommendations made in this report is to further improve the value and utility of this dataset and to alleviate unnecessary effort for organisations in reporting to the Agency. Although there are recommendations to capture additional information for the purpose of improving the gender equality data evidence, these have been designed to align with what we now know are the HR reporting structures for so many of our reporting organisations.

The recommendations in this report for additional information have also been offset by recommendations to remove the collection of information on carer's leave and the reporting levels to the CEO. The adoption of both of these recommendations will significantly reduce the reporting burden on employers. If adopted in their entirety, these recommendations will create a less onerous reporting process for employers and improve the detail and quality of the Agency's dataset.

References

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- ⁱⁱ ABS (2018), Average Weekly Earnings, May 2018, cat. no. 6302.0, viewed 16 August 2018 <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>
- ⁱⁱⁱ *ibid*
- ^{iv} Clare R. (2017), *Superannuation account balances by age and gender, December 2017*, ASFA Research and Resources Centre, https://www.superannuation.asn.au/ArticleDocuments/359/1710_Superannuation_account_balances_by_age_and_gender.pdf.aspx
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- ^{ix} WGEA (2019), Reference guide 2019 https://www.wgea.gov.au/sites/default/files/documents/2019-reporting-reference-guide_0.pdf, p. 15
- ^x *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)* sub-clause 1.4, Schedule 1.
- ^{xi} *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)* sub-clause 1.5, Schedule 1.
- ^{xii} *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)* sub-clause 4.8, Schedule 1.
- ^{xiii} See *Workplace Gender Equality Act 2012*, beneath simplified outline in section 18.

