



**CCIQ SUBMISSION**

**WORKPLACE GENDER EQUALITY REPORTING**

**CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND**

**30 September 2014**



## 1.0 Introduction and Summary

- 1.1 The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to make a submission to consultations on the reporting requirements under the *Workplace Gender Equality Act 2012* (Cth) (Act).
- 1.2 CCIQ appreciates efforts on part of the Department to engage with employers to improve gender equality and female participation in the workforce more broadly.
- 1.3 Accordingly, CCIQ supports the objectives of the Act and wishes to pledge its support to the importance of promoting and improving gender equality in the workplace, supporting employers to remove barriers to female participation in the workforce, promoting the elimination of discrimination on the basis of gender, and improving the productivity and competitiveness of business through gender equality.
- 1.4 Nevertheless, CCIQ believes it essential that the objectives of the Act include specific reference to the importance of all employment opportunities being based on merit, not on the basis of a person's gender.
- 1.5 CCIQ notes the central purpose of the consultation process is to identify opportunities to simplify and streamline gender reporting requirements, in addition to receiving feedback as to the ways in which Government can add value to workplace gender reporting practices.
- 1.6 At the outset, CCIQ strongly opposes reporting obligations for businesses (100 employees or more), as many of these businesses are already heavily impacted by regulations.
- 1.7 Enhancing reporting requirements of those employers that already provide annual reports is also questioned. Feedback from Queensland employers indicates that the current reporting requirements are ineffective in achieving the desired outcomes and only contribute to red tape. CCIQ believes enhancing reporting requirements is unlikely to alter this situation.
- 1.8 Overall, CCIQ strongly urges the Federal Government to simplify, not increase businesses' obligations under the Act and focus on initiatives that fall outside of regulatory frameworks.
- 1.9 In the event the Government elects to continue with legislative reporting requirements for businesses on the gender make-up of their workplace, CCIQ urges the Department to ensure that such data collection is not duplicative of efforts elsewhere, is not unnecessarily complex, and delivers tangible net benefits that outweigh the imposition of further regulatory burdens on business.
- 1.10 CCIQ recommendations to ensure greater gender balance is achieved in Queensland workplaces include the following:
  - Remove gender reporting requirements for business entirely or, in the event the Federal Government elects to continue with this regulatory obligation, CCIQ recommends a reduction and further deferral of reporting requirements to provide for better analysis and assessment of data received from existing reporting practices;
  - Further ensure the reduction of red tape on business through the simplification of existing reporting requirements; and

- Ensure greater investment by the Department in educational initiatives to encourage more holistic attitudinal approaches to gender diversity in the workplace.
- 1.11 For the Federal Government to achieve its important goals of reducing red tape, removing unnecessary regulatory burdens, and easing compliance costs on business, the Department must ensure that gender equality reporting obligations are not received by business as an additional compliance burden.
  - 1.12 In this light, CCIQ believes the Department is better served by taking a more holistic approach to encouraging and sustaining greater female participation in the workforce by way of educational and promotional initiatives.
  - 1.13 CCIQ as a member of the Australian Chamber of Commerce and Industry (ACCI) provides support for the position and recommendations made by this organisation to the consultation process on reporting requirements. CCIQ's submission is intended to complement ACCI's submission and provide Queensland business community context. It is essential that the views of employers are taken into consideration throughout this consultation process.

## 2.0 Recommendation 1

**CCIQ calls for the removal of gender reporting requirements entirely. In the event the Federal Government elects to continue with this regulatory obligation, CCIQ recommends reduction and further deferral of reporting requirements. Data sets should be better used to inform and frame workplace gender diversity policies moving forward.**

- 2.1 CCIQ expresses serious reservations as to the effectiveness of gender-based reporting requirements and argues that reporting obligations as they currently operate negatively impact on workplaces and increase the business operating and compliance costs of employers.
- 2.2 CCIQ is strongly supportive of engaging proactive measures to address gender equality concerns, rather than strengthening prescriptive legislation that only focuses employers' attention on ensuring compliance, rather than improved gender equality and workforce participation outcomes.
- 2.3 Overall, CCIQ is opposed to the onerous reporting requirements. The Chamber argues that they are directly at odds with the Federal Government's regulatory simplification process aimed at reducing the regulatory burden on business.
- 2.4 CCIQ is concerned that reporting requirements only serve to focus employers' attention on meeting compliance requirements, rather than implementing initiatives that will have a positive impact on improved gender equality and workforce participation outcomes.
- 2.5 CCIQ would rather attention be placed on promoting voluntary, proactive measures that focus on the initial concerns surrounding gender equality and address them outside the scope of legislation. CCIQ is not supportive of any measure that enhances the regulatory burdens placed on businesses that do not result in tangible outcomes for employers and the economy.
- 2.6 With respect to Minister for Employment, Senator Eric Abetz's comments regarding the Federal Government's intention to continue to require to report annually against

gender equality indicators now and into the future<sup>1</sup>, the following recommendations are provided to ensure the Federal Government in fact streamlines and simplifies such requirements to reduce the burden on business.

- 2.7 In this light, CCIQ supports the Federal Government's decision to defer additional reporting requirements under schedule 2 of the Act to allow for further consultation on such matters.
- 2.8 This action will allow time for the Department to consider the practical effects of the requirements, and identify any relevant benefits flowing from the policy since its introduction.
- 2.9 To this end, CCIQ urges the Department to consider further deferral of expanded requirements due to come into force on 1 April 2015.
- 2.10 To best achieve employer support for gender equality reporting requirements, CCIQ believes the Department must demonstrate to employers how their data is used to inform the policies of the government of the day. Employers must see value in their efforts to supply detailed information on the gender make-up of their organisations.
- 2.11 Employer data will be significantly underutilised if it is simply collated and presented in raw format. Best practice suggests that the extensive analysis of such information will allow for benchmarking, as well as the identification of trends and opportunities to explore varying approaches to encouraging gender diversity in the workplace.
- 2.12 A key measurement of success of the programme will be if greater insight is given to both policy-makers and business operators that data collated as a result of the government's initiatives outweigh other data collection methods on equality in the workplace, such as Australian Bureau of Statistics (ABS).<sup>2</sup>
- 2.13 With respect to the proposed expansion of requirements, CCIQ believes requesting employers to provide detailed remuneration, recruitment, promotions, and resignation breakdowns, in addition to data on parental leave matters, overextends the intended purpose of the relevant legislation, and stands in stark opposition to the Federal Government's twin objectives of reducing red tape and the regulatory burden on business.
- 2.14 CCIQ urges the Department to recognise that many businesses do not have advanced human resource capacities or centralised information systems to support the collation and supply of extensive and complicated data sets. Businesses told CCIQ they often have to dedicate manual full-time resources during reporting periods, thereby redirecting employees away from their core functions to fulfil compliance requirements.
- 2.15 CCIQ is of the view that the proposed expansion of reporting requirements will in fact increase the compliance burden for businesses that do not have systems in place to collate and monitor data in a centralised manner. CCIQ believes the matters raised herein support further deferral of additional reporting requirements at this point in time and ultimately its cessation unless net benefit can be proven.

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<sup>1</sup> Media Release, 15 May 2014, 'Consultation to improve workplace gender equality reporting,' Minister for Employment, Senator Eric Abetz.

<sup>2</sup> See further ABS *Workplace Diversity Action Plan 2013-2017* found at <http://www.abs.gov.au/ausstats/abs@.nsf/mf/1010.0?OpenDocument>.

### 3.0 Recommendation 2

#### **Further ensure the reduction of red tape on business through the simplification of existing reporting requirements.**

- 3.1 CCIQ observes room within current reporting obligations for the streamlining and simplification of reporting requirements. Overwhelmingly employers have told CCIQ that they view the current framework as a compliance burden; not a genuine or effective attempt on part of government to increase female participation in the workforce.
- 3.2 Employers stated that they support gender diversity in the workplace, but expressed a preference for simpler and more streamlined mechanisms in combination with educational and promotional initiatives to support employers to remove barriers to female participation in the workforce.
- 3.3 First, the complexities associated with reporting for management roles would benefit from revision as part of this consultation process. CCIQ believes there is room to relax management reporting obligations in terms of classification. At present, businesses are faced with five management categories for reporting purposes, which implies businesses have sophisticated management structures with clearly defined roles, responsibilities and priorities.
- 3.4 CCIQ argues that due to the fast-paced and evolving nature of the new economy, many who occupy management positions in medium-sized enterprises are exposed to constant revision of their role descriptions, leadership obligations, and performance expectations. In other words, the very nature of management roles in the current economic climate is that they are exposed to constant modification and fluctuation, particularly in periods of organisational change and/or unpredictable shifts in the business environment.
- 3.5 Therefore, the necessities for employers to individually categorise all employees that occupy defined management positions, as well as outline their respective reporting levels to the Chief Executive Officer (CEO), is both onerous and vulnerable to data distortion. The former, as it adds an additional layer of compliance on already stretched enterprises, and the latter as the collation alone of qualitative data fails to capture the nuances within varying organisational and management structures.
- 3.6 CCIQ believes there is little value in requiring employers to present data that identifies management positions within an organisations hierarchy. CCIQ is of the view that the compliance burden outweighs any benefit in this instance and calls for the removal of such requirements in the interests of red tape reduction and reduced regulatory burdens for business.
- 3.7 In addition, CCIQ requests the government remove the requirements relating to the reporting of salaries of senior management and CEOs. It must be brought to the government's attention that although publicly listed companies are legislatively required to disclose the salary information of executives, non-listed companies are not held to the same obligations under the *Corporations Act 2001* (Cth).

- 3.8 CCIQ unreservedly opposes the requirement to disclose sensitive commercial information such as the salaries of senior management due to concerns raised by our members on matters regarding risk and confidentiality.
- 3.9 To this end, CCIQ would refer the Department to existing data sets collated and published by the relevant remuneration committees of listed companies to better understand the commercial rationale for salary decision-making in larger companies, and to analyse board composition. Smaller enterprises should not be required to provide data that exceeds their capacity to provide it, particularly when such data already exists.
- 3.10 Lastly, CCIQ seeks to draw the Department's attention to the following administrative improvements that can be made to current reporting requirements for future policy development. The removal of unnecessary impediments such as administrative duties will directly result in the reduction of red tape and regulatory burden on business.
- **CEO as signatory to reporting documentation:** CCIQ urges the Department to dispose of this requirement as there is no identifiable correlation between the CEO being a signatory to workplace gender equality reporting documentation and a commitment on behalf of senior management to the principles of gender diversity in the workplace more broadly.
  - **Notification obligations:** CCIQ requests the removal of the requirement of firms to both notify employees of the lodgement of gender equality reports and consult employees on gender equality matters. CCIQ regards notification requirements as a tokenistic measure and argues workplaces can be better informed about the merits, benefits, and outcomes of gender diverse workplaces in less burdensome ways, as suggested herein.

#### 4.0 Recommendation 3

##### **Ensure greater investment by the Department in educational initiatives to encourage more holistic attitudinal approaches to gender diversity in the workplace**

- 4.1 CCIQ argues there is significant room for the Department to educate businesses about the benefits of gender diverse workplaces, without resorting to mandatory requirements prescribed by legislative instruments.
- 4.2 CCIQ urges the Federal Government to identify broader opportunities to promote and sustain changes in organisational culture in this space, and incorporate such measures into the wider policy framework of workplace gender equality.
- 4.3 There are significant opportunities for businesses to partner with government to achieve the 'gender equality indicators' as required by the Act.
- 4.4 For example, the Department could look to promoting entities that lead by example by operating according to high-level gender diversity principles.
- 4.5 Additionally, the Department can partner with industry to facilitate knowledge and experience sharing platforms, allocate awards and incentives to employers who

demonstrate and action commitments to gender equality in their workplace, and work with businesses to create customised strategies that align with the nuances of individual workplaces.

- 4.6 CCIQ firmly believes the best way to achieve improved gender diversity outcomes and increased female participation in Queensland's workplaces is for the Federal Government to re-orientate its policy settings from one of data-based quota's to the education and promotion of the importance of diverse workplaces.
- 4.7 Working with employers will deliver better and more quantifiable outcomes than simply expanding the remit of reporting requirements as per current timetabling.
- 4.8 CCIQ argues a revised approach that encourages employers to introduce policies and implement initiatives that are customised to the needs, requirements, and constraints of an individual employer's workplace will not only produce more gender diverse outcomes in the workplace, but will assist the Department in attaining the support it requires from employers in favour of gender diverse workplaces.
- 4.9 It is not solely within the confines of the employment relationship that such issues emerge and permeate, and CCIQ supports measures that address the broader socio-cultural factors that may stifle female engagement in Queensland's workforce.

## 5.0 Conclusion

- 5.1 CCIQ supports the Government's commitment to addressing gender-based discrimination, equal remuneration, and flexible working arrangements to increase female participation in the workforce and commends the Workplace Gender Equality Agency for implementing strategies to address such issues in Australian workplaces.
- 5.2 CCIQ recognises the role voluntary gender equality focused workplace initiatives play in increasing the productivity and competitiveness of Queensland businesses, and supports efforts to empower women in this space.
- 5.3 Nevertheless, CCIQ cautions the Federal Government against prescriptive measures that do little in terms of promoting attitudinal and cultural change, and in fact increase the regulatory burden on medium sized enterprises.
- 5.4 CCIQ looks forward to working with the Federal Government to ensure the best outcomes are achieved for Queensland businesses, our economy, and the community in this area.