

Appendix 5

Extracts from the Affirmative Action Agency Annual Report 1997-98

Overview of Progress of Organisations

One of the major roles of the agency is to monitor employer progress and identify what outcomes are being achieved.

Following the last review of the act in 1992, the focus was placed on improving the quality of organisations' affirmative action programs. To assist in meeting this objective, the agency provides organisations with feedback about their progress and offers a range of advisory services.

Reports submitted to the agency by organisations over the last four years have been assessed. The system of assessment was developed to provide organisations with specific feedback about the quality of their AA/EEO programs. It has also enabled the agency to monitor trends in the performance of organisations and identify organisations that are best practice and those that may require specific assistance.

The agency has a five-level assessment scale. Organisations with comprehensive, high quality programs receive either a Level Four or Level Five assessment. These represent best-practice organisations. Organisations implementing a medium quality program receive a Level Three assessment and organisations submitting reports demonstrating that minimal activity has occurred in relation to AA/EEO receive a Level Two assessment. A number of organisations submit reports that do not meet the requirements of the act. These reports are assessed at a Level One.

The majority of organisations receive the Level Three assessment. However, there is a wide range of quality at this level. In 1998, the agency revised the assessment scale to include a High Level Three. A small proportion of organisations assessed at a Level Three has been identified as approaching the best-practice standard. Therefore, these organisations have received a High Level Three assessment.

Waiving Reporting Requirements for Best-Practice Organisations

Under section 13A of the act organisations that have been implementing comprehensive programs for three consecutive years are eligible to have their reporting requirements waived. In 1996, for the first time, the

agency waived the reporting requirements of 114 best-practice organisations. In 1997, the reporting requirements of another 45 organisations were waived.

Best-Practice Organisations

The trend of organisations continuing to improve the quality of their programs and reach the best-practice level has continued. In 1997-98, 156 new organisations were assessed as having best-practice programs. There are now 315 best-practice organisations, representing over 12 percent of all organisations reporting to the agency.

Organisations Approaching Best Practice

This year, for the first time, the agency identified those organisations approaching the best-practice standard. These organisations received a High Level Three assessment. Ten percent of organisations have been identified as having a high quality program. This is a very good result and demonstrates that the proportion of best-practice organisations is likely to continue increasing.

Minimum and Medium Quality Program

Over the past three years the proportion of organisations implementing minimum quality programs has declined and the proportion implementing medium quality programs has increased. During 1997-98, this trend changed and there has been a 4 percent increase in the number of organisations with minimum quality programs. This result can mainly be attributed to the larger number of new organisations than in previous years. Almost half of the organisations reporting for the first time in 1997-98 received the Level Two assessment showing that they are in the initial stages of AA/EEO program development. All organisations are given at least one year to develop their AA/EEO program before submitting their first report.

It is also clear from a reading of the reports this year that a number of organisations are doing very little to

continue to develop their program. The agency identified 230 organisations requiring specific feedback and assistance. These organisations have received individual letters outlining areas which required further development. In addition a resource kit was sent to assist them to continue to develop their program. The agency has also offered these organisations the service of its advisers and training officer.

Each year a number of organisations submit reports that do not meet the requirements of the act. The report is identified and a process of support for the organisation is offered. The report is returned to the employer and the advisory service is then available to provide special assistance to these organisations. During 1997-98 the process of assisting organisations was evaluated. The need for a resource kit was identified and a kit was designed to assist organisations to improve the quality of their programs and meet the requirements of the act. The employer is provided with specific examples of strategies and action plans pertinent to their needs.

During 1997, 157 inadequate reports were identified early. Advice and assistance was offered to these organisations and then 95 percent submitted reports meeting the requirements of the act.

Overview of the Reporting Cycle

The analysis included in this chapter is based on the 2,540 reports received and assessed at the agency by mid-August 1998. Private-sector organisations make up the majority of organisations reporting to the agency. The 40 universities in Australia have been covered by the act since its inception. Since 1994, community organisations, non-government schools, trade unions and group training companies have also been covered by the act.

All organisations, except universities, are required to submit their affirmative action reports by 30 April each year. The reports are retrospective and cover the period 1 February 1997 to 31 January 1998. Universities are required to submit a report by 31 March, covering the preceding calendar year.

The report forms are sent to organisations in January each year. Organisations that have not reported by 30 April receive a reminder letter in mid May. Organisations that have not yet met the requirements of the act must be given 28 days' notice of the director's intention to name them in the agency's annual report tabled in Parliament by the Minister for Workplace Relations and Small Business. The 28-day notices were sent to 484 organisations on 6 July 1998.

In 1996-97, the agency achieved a 97 percent compliance rate.

Each year a number of organisations that fail to meet the requirements of the act are not named in the agency's annual report. This is because there are extenuating circumstances and the employer has not

been able to meet the requirements of the act. For example, organisations may have suffered significant redundancies or experienced a major corporate change/take-over or may be facing severe economic problems. In these extreme cases organisations are not named. In 1998, 55 organisations were classed in this category.

Private Sector

The private sector makes up approximately 80 percent of reporting organisations.

This year the agency identified those organisations approaching best practice and allocated them a High Level Three rating. This assessment rating recognises companies who are implementing a comprehensive program but have yet to achieve the full integration of AA/EEO within their company. There were 213 companies identified as nearing best-practice status and they received a High Level Three assessment. The proportion of organisations at the best-practice level in the private sector has remained constant at approximately 11 percent.

Over the previous three years there has been a consistent decrease in organisations assessed at a Level Two and an increase in those assessed at a Level Three and at best-practice status. However, this trend has changed over the 1997-98 reporting period, with more companies receiving a Level Two assessment and fewer companies receiving a Level Three.

There has been an increase of 4.5 percent in private sector companies with minimum quality programs, an increase from 500 to 585. However, there were 154 new reporting organisations in 1997-98. Of these new companies, 69 received a Level Two assessment, making up the majority (81.2 percent) of the increase in companies with a minimum quality program.

Excluding new reporting organisations there has been an increase of 1.1 percent of companies developing minimum standard programs.

Though the majority of organisations received a Level Three assessment, contrary to previous years, the percentage of private sector companies at a Level Three has fallen by 4.2 percent.

Community Sector

Community organisations make up approximately 8 percent of those organisations reporting to the agency. Overall there has been little change in the quality of AA/EEO programs in this sector over the 1997-98 reporting year.

The 1997-98 reporting year was a period of consolidation for the community sector after significant improvements were observed in the previous reporting period. The agency is planning to produce further case study and resource material for community organisations in 1998-99. The community sector is largely female-dominated and the agency recognises the

importance of assisting this sector to implement policies and initiatives which have a positive benefit for working women.

Non-Government Schools

Non-government schools account for approximately 8 percent of reporting organisations. Over 10 percent of non-government schools now have a Level Four or Five rating which is a further 2.4 percent increase at the best-practice level compared with last year. This is reflected in a decrease in the number of organisations at Level Three. The introduction of the High Level Three assessment identified a further six percent of non-government schools who are on their way to becoming a best-practice affirmative action employer.

The 2.8 percent increase in the percentage of Level Two organisations comprises five schools with minimum quality programs. These are evenly represented across boys', girls' and co-educational schools.

Co-educational schools represent half of the schools that report to the agency and boys' and girls' schools make up approximately one quarter each.

Agency research has shown that the biggest disparity between boys' and girls' schools comes at either end of the assessment model. Even though girls' schools make up one quarter of the schools that report to the agency they represent 43 percent of best-practice schools, and boys' schools who similarly make up a quarter of schools comprise only 14 percent of best-practice schools.

Boys' schools are also highly represented amongst schools with minimum quality programs. They comprise 30 percent of Level Two schools, while girls' schools make up 20 percent of the same category.

Higher Education

The higher-education sector represents 1.5 percent of organisations reporting to the agency. This sector has been a high performing sector for many years. Eighteen universities have had their reporting requirements waived. Hence only 22 universities (55 percent) had to report in 1998. Four institutions received a High Level Three assessment in 1997-98 and appear to be approaching best-practice status, demonstrating the continued high performance of the sector. Only two institutions (5 percent) received a Level Two assessment, half as many as the previous year.

Human Resource Policies and Practices

However, organisations have continued to review policies and practices and examine the impact on women in the workplace. A strong trend toward

formalisation of policies has continued in the 1997-98 reporting year. The following human resource policies continue to be addressed by organisations.

Recruitment, Selection, Promotion and Transfer

- A career break to start a family continues to be a major barrier to women's promotion within organisations. Stay-in-touch programs for employees (women or men) accessing parental leave have increased as organisations recognise the importance of informing staff about vacancies and considering them for promotion and training opportunities. Seventy-five percent of organisations — an increase from 46 percent in 1994-95 — keep employees informed of vacancies.

- Organisations which train their interview panels on EEO and discrimination issues to assist in identifying the best person for the job have increased from 52 percent in 1994-95 to 82 percent in 1997-98.

- Inclusion of support for AA/EEO as a criterion for promotion to managerial and supervisory positions is another means by which an organisation can support its AA/EEO program. Since 1994-95 there has been a 20 percent increase in organisations which make this a requirement — a rise from 34 percent to 54 percent in the last four years.

Conditions of Service

- Permanent part-time work with pro-rata conditions has become a feature of many awards and agreements. The overwhelming majority of organisations that report to the agency have this as a condition of service, and more organisations implement it every year — a rise from 70 percent in 1994-95 to 84 percent in 1997-98.

- Traditionally, paid maternity leave was only available to public sector employees but increasingly organisations are using paid maternity leave to attract and retain the best employees and use it as part of their "employer of choice" recruitment strategy. In 1994-95, 14 percent of organisations had paid maternity leave — this has risen to 21 percent in 1997-98.

- Increased flexibility at work has seen the development of job sharing as a means of assisting employees to balance their work and family commitments. Now two-thirds (66 percent) of organisations provide job sharing opportunities — an increase from 48 percent in 1994-95.

- Sexual harassment has long been a barrier to women's full participation in the workforce and more organisations have introduced formal procedures to deal with sexual harassment. This formalisation of procedures indicates that organisations view sexual harassment as a serious issue that is not tolerated in their workplace. Currently 92 percent of organisations

have formal procedures in place — up from 70 percent in 1994-95.

- As discussed earlier there has been an increase in organisations which have AA/EEO as a criterion for promotion in the organisation. Companies are also using AA/EEO as part of their performance appraisal for managers and supervisors, with 48 percent having this in place — up from 31 percent in 1994-95.

Training and Development

- Conducting training audits is one way of examining the access men and women have to training and their participation rate in training. An audit will assist in measuring the effectiveness of the organisation's policies and assess who gets access to different types of training. In 1994-95 only 17 percent of organisations measured women's access to training. This has increased to 34 percent in 1997-98.

- Specific training for men and women to eliminate sexual harassment is another area that has received attention from organisations. Seventy percent of organisations are now reinforcing their formal policies on sexual harassment and training of all staff. This is an increase from 1994-95 when only 38 percent conducted such training.

- Management training is also now more likely to include training on affirmative action and sexual harassment. Currently 73 percent of organisations have segments on these issues in their management training — an increase from 43 percent in 1994-95.

- Mentoring programs can facilitate women's career development as well as provide them with insight and information into organisational cultures at senior management levels. The lack of mentors and network relationships is continually identified as being one of the major barriers to women's promotion into senior management roles. Currently 39 percent of organisations have a mentoring program in place — an increase from 24 percent in 1995-96.

The results reveal that organisations continue to revise and improve their human resource policies and practices. While employer efforts may have stabilised or declined in some areas of program development it is clear that the majority of organisations continue to realise the importance of establishing and implementing best-practice human resource policies.