

## Senate Standing Committee on Education and Employment

### QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

#### Agency - Fair Work Commission

Department of Employment Question No. EMSQ17-004114

Senator Cameron asked on 30 May 2017 on proof Hansard page 18

#### Question

##### FWC - Pay Equity Unit - abolition

Senator CAMERON: Are there any internal memos or any analysis as to the reason why it would be abolished?

Ms O'Neill: I will take that on notice. There will no doubt be some documentation of the decision-making process.

Senator CAMERON: Can you provide the documentation that will go to the decision-making process to abolish the Pay Equity Unit?

Ms O'Neill: Yes.

#### Answer

A discrete Pay Equity Unit (PEU) was established in July 2013 to undertake pay equity related research and to provide information to inform matters relating to pay equity under the *Fair Work Act 2009*. The PEU was a small team located within the RSRT & Minimum Wages Research Team, as it was then known. The RSRT & Minimum Wages Research Team was subsequently reconfigured as the Workplace and Economic Research Section (WERS). The WERS team has expertise in the conduct of research into workplace relations issues, and provides research support to the Fair Work Commission, including the conduct of the Annual Wage Review.

Between 2013–14 and 2014–15 the major component of the PEU work program was the conduct of the Australian Workplace Relations Study (AWRS).

In early 2015 as the AWRS was nearing completion, the ongoing need for the PEU to continue as a discrete unit of the WERS was considered, and the General Manager decided it was appropriate to subsume the PEU into the broader research team. The staff in the PEU team had a similar range of research skills as the rest of the WERS team, and did not have specialist pay equity experience. The General Manager considered that consolidating the research capabilities into one team was appropriate given the convergence of skills and capabilities of the staff, and provided a range of efficiencies by providing greater flexibility to manage research tasks, including pay equity related research.

There is no one single document that details the analysis and consideration that led to the General Manager's decision. The decision was made following a number of verbal discussions and briefings, consideration by a broader group considering potential efficiencies and savings open to the Commission, and briefings mapping out how the work of the PEU could continue within the WERS team.

The Workplace & Economic Research Section (WERS) maintains significant capabilities in research and analysis and provides support to the Commission in its consideration of equal remuneration in relation to the modern awards objective (s.134(1)(e)) and the minimum wages objective (s.284(1)(d)). Prior to the formal absorption of the PEU into the WERS, the PEU had been attached to the WERS and had provided assistance to Tribunal Members in relation to the Equal Remuneration Case 2013–14. The WERS retains the capacity to assist the Full Bench currently considering the application for an equal remuneration order for, in broad terms, employees who perform work in a long day care centre or preschool(s) covered by the *Children's Services Award 2010*; the *Educational Services (Teachers) Award 2010*; or the *Educational Services (Schools) General Staff Award 2010*.

There have been no requests to undertake pay-equity related research that have not been able to be met. The Commission maintains the capability to undertake research in relation to pay equity related issues, and remains able to provide support to the Commission and parties in relation to matters before the Commission. For example, research staff in the WERS have either undertaken, commissioned or worked in collaboration with leading academics in publishing a range of research to inform major cases that incorporates analysis of pay equity matters and issues related to gender and the labour market more broadly. Some examples are provided here for reference.

Jimenez C and Rozenbes D (2017), [Award-reliant workers in the household income distribution](#), Research report /2017, Fair Work Commission, February.

Yuen K, Rozenbes D and Farmakis-Gamboni S (2015), [Award reliance and business size: a data profile using the Australian Workplace Relations Study](#), Research report 1/2015, Fair Work Commission, February.

Wright S and Buchanan J (2013), [Award reliance](#), Research report 6/2013, Fair Work Commission, December.

Rozenbes D, Kenny R, Nelms L and Farmakis-Gamboni S (2013), [Labour supply responses to an increase in minimum wages: An overview of the literature](#), Research report 2/2013, Fair Work Commission, February.

Maltman K and Dunn A (2013), [Higher classification/professional employee award reliance qualitative research: consolidated report](#), Research report 1/2013, Fair Work Commission, February.

Buchanan J, Bretherton T, Frino B, Jakubauskas M, Schutz J, Verma G and Yu S (2013), [Minimum wages and their role in the process and incentives to bargain](#), Research report 7/2013, Fair Work Commission, December.

Pointon M, Wheatley T, Ellis G and MacDermott K (2012), [Award reliance and differences in earnings by gender](#), Research report 3/2012, Fair Work Australia, February.

Romeyn J, Archer S-K and Leung E (2011), [Review of equal remuneration principles](#), Research report 5/2011, Fair Work Australia, February.

Nelms L, Nicholson P and Wheatley T (2011), [Employees earning below the Federal Minimum Wage: Review of data, characteristics and potential explanatory factors](#), Research report 3/2011, Fair Work Australia, January.

Eveesson J, Oxenbrdige S, Schutz H, Baldwin S, Moensted M and Buchanan J (2011), [Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level](#), Research report 7/2010, Fair Work Australia, February.

Southwell A, Elliot S, Stafford N and French G (2010), [Consolidated Social Research Report](#), Research report 10/2010, Fair Work Australia, June.

Broadway B and Wilkins R (2015), [Low-paid women's workforce participation decisions and pay equity report](#), report for the Pay Equity Unit of the Fair Work Commission, December.

Rozenbes D and Farmakis-Gamboni S (2015), [Earnings and characteristics of employees by gender and industrial arrangement report](#), report for the Pay Equity Unit of the Fair Work Commission, December.

Pay Equity Unit (2015), [AWRS First Findings report: consolidated content from online publication](#), Fair Work Commission, January.

Layton R, Smith M and Stewart A (2013), [Equal Remuneration under the Fair Work Act 2009](#), report for the Pay Equity Unit of the Fair Work Commission.

Austen S, Smith M, Charlesworth S and Jefferson T (2015), [Methods of setting pay and the gender pay gap](#)

Powell A (2015), [Gender equality in male dominated industries: evidence from the 2014 AWRS](#)

[General Manager's report into developments in making enterprise agreements under the Fair Work Act 2009 \(Cth\): 2012–15](#)

[General Manager's report into individual flexibility arrangements under s.653 of the Fair Work Act 2009 \(Cth\): 2012–15](#)

[General Manager's report into the operation of the provisions of the National Employment Standards relating to requests for flexible working arrangements and extensions of unpaid parental leave under s.653 of the Fair Work Act 2009 \(Cth\): 2012–15](#)

[General Manager's report into enterprise agreement-making in Australia under the Fair Work Act 2009 \(Cth\): 2009–12](#)

[General Manager's report into the extent to which individual flexibility arrangements are agreed to and the content of those arrangements: 2009–12](#)

[General Manager's report into the operation of the provisions of the NES relating to requests for flexible working arrangements and extensions of unpaid parental leave: 2009–12](#)