



Chief Executive Women

Committee Secretary
Senate Finance and Public Administration Legislation Committee
By email: fpa.sen@aph.gov.au

8 March 2023

Chief Executive Women Submission: Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023

Chief Executive Women welcomes the opportunity to make a submission for the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023. We welcome the Government's commitment to building a more inclusive, productive and gender equal workforce and welcome specifically the Bill's focus on pay gap transparency as a means for measuring employer performance and progress towards achieving gender equality.

Australia is at a turning point in its gender equality journey, and the economic narrative is changing, with women being equal economic partners in the family. Workplaces and government must work collaboratively to facilitate this by placing care at the centre of the economy and empowering all women's economic participation. This legislation is a welcome step forward.

CEW welcomes and supports the Bill and the proposed amendments to the *Workplace Gender Equality Act* as important and necessary contributions towards improving transparency and accountability required to drive gender equality in Australian workplaces.

As the Bill fulfills 4 of the 10 recommendations (in full or in part) from the 2021 Review, CEW encourages further consideration and consultation be undertaken to implement in full the outstanding recommendations.

CEW refers the Committee to the previous [submission](#) made to the 2021 Review of the Workplace Gender Equality Act (2021 Review), which endorsed amendments to the *Workplace Gender Equality Act*. and made the following recommendations:

Recommendations

- Improve transparency in pay gap reporting
- Include compliance mechanisms in the *Workplace Gender Equality Act 2012* (Cth).
- Enhance data collection and reporting on diversity (especially age, non-binary, race/culture, disability and LGBTQI+)
- Enhance data collection and reporting on gender representation in senior leadership roles

CEW's [Pre-Budget Submission 2023-2024](#), identifies further reforms necessary to ensure women's economic participation, leadership and equality, which is a foundational element in achieving greater gains in economic productivity and wellbeing.



Closing the gender pay gap is vital to gender equality

An analysis of gender pay gap reporting in six countries by Kings College London notes that the absence of clear mechanisms for transparency in gender pay gap reporting can lead to a lack of corrective action.¹ The lack of public disclosure of organisation-level pay gaps is a key limitation of the Workplace Gender Equality Act's current gender pay gap reporting.² CEW supports increased transparency to include publicly available gender pay gaps (total remuneration for all employees) at an organisational level.

The WGEA Progress Report on the Workplace Gender Equality Agency 2019-2020 identified the importance of publishing gender pay gaps of the organisations who report to WGEA, stating; 'holding organisations to account by publishing their gender pay gaps would drive organisations to do further analysis, to understand their own pay gaps and move them away from justifying why they have them and towards action to address them'.³

In addition CEW supports consideration of reporting against fixed packages versus composite remuneration packages (i.e. full equity/ part-equity/salary); and making the collection of remuneration data for Chief Executive Officers (CEOs) or the equivalent mandatory.

Compliance mechanisms

In addition to the Act's requirements for a reporting entity to have in place policies or strategies to support the gender equality indicators, CEW supports consideration of compliance mechanisms being introduced for employers to undertake positive or corrective action to address identified gender inequalities or gaps.

CEW also recognises that policies need to be accompanied by measurable and visible targets to bring about necessary change. The CEW [Senior Executive Census 2022](#) demonstrates that targets are one of the most effective mechanisms to drive the changes needed to increase the representation of women in leadership teams.

CEW encourages consideration of reporting entities be required to (a) identify a time-bound target against at least one of the GEIs and report progress against the target and (b) meet the target within a reasonable timeframe. As well as consider reporting requirements include action plans and associated performance improvement mechanisms against the identified target.

Enhance data collection and reporting on diversity

¹ King's College London, 2021, *Bridging the Gap?: An analysis of gender pay gap reporting in six countries*: <https://www.kcl.ac.uk/giwl/research/bridging-the-gap>

² King's College London, 2021, *Bridging the Gap?: An analysis of gender pay gap reporting in six countries*: <https://www.kcl.ac.uk/giwl/research/bridging-the-gap>

³ WGEA Progress Report on the Workplace Gender Equality Agency 2019-2020, <https://www.wgea.gov.au/sites/default/files/documents/WGEA%20Progress%20Report%202019-20.pdf>



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Data which supports organisations to take an intersectional approach is essential to developing targeted measures to address gender inequality in the Australian workforce. Recognising that collecting additional diversity data can raise sensitivities around self-identification on the basis of LGBTQI identity, gender, race/cultural background and disability, CEW supports WGEA developing resources and guidelines to support reporting entities to manage the collection of this data.

CEW welcomes consideration for the collection of the following data:

- employee's primary workplace location and age (year of birth).
- composition of employers' workforces, including non-binary people.
- intersecting forms of diversity, including Aboriginal and/or Torres Strait Islander background, race/cultural background, disability and LGBTQI+.

To assist organisations with 50 or more employees meet reporting obligations, CEW also welcomes consideration for simplified reporting mechanisms through available information sources such as single touch pay roll data and greater use of administrative data.

Enhance data collection and reporting on gender representation in senior leadership roles

There is a need for greater transparency and granularity on the gender composition of leadership and executive teams.

The ongoing underrepresentation of women in leadership and the pipeline for leadership roles is a significant factor contributing to the gender pay gap and a missed opportunity to build a vibrant economy. The pathways for companies to achieve gender equality at a senior level starts with comprehensive data collection and reporting.

CEW supports consideration of reporting on gender balance in critical talent pools as an important means of monitoring and progressing gender balance in the pipeline for leadership roles.

Respect@Work Recommendations

CEW supports the implementation of the recommendations in the Respect@Work report specific to the *Workplace Gender Equality Act 2012* including:

- Recommendation 43: expanding reporting to public sector organisations;
- Recommendation 42 - consider how good practice indicators for measuring sexual harassment might apply under the Act; and
- Recommendation 3 - support employers to report sex-based harassment and discrimination claims to WGEA.

CEW refers the Committee to our [Respect is Everyone's Business](#) resources that provide the 'how' – how to go about driving change using the power of conversations about sexual harassment at senior leadership levels in organisations. The site includes guidance to support a range of outcomes, like how to navigate potential resistance, how to initiate appropriate action, effective communication and how to report on progress.



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CEW can provide further information in relation to these recommendations if required. Please contact Director, Policy and Research, Melanie Fernandez (mfernandez@cew.org.au).

Pauline Vamos

CEW Board Member, Chair CEW Policy and Engagement Committee

About CEW

Women leaders enabling women leaders

Chief Executive Women's (CEW) shared mission is 'women leaders enabling women leaders'. CEW's over 1000 members represents Australia's most senior and distinguished women leaders across business, academia, government, the arts, and not-for-profit sectors. CEW's members have leading roles within Australia's largest private and public organisations. They oversee more than 1.3 million employees and \$749 billion in revenue. Members' organisations have a combined market capitalisation greater than \$1.144 trillion and contribute in excess of \$249 billion to Australia's GDP.

Since 1985 CEW has influenced and engaged all levels of Australian business and government to achieve gender balance. Through advocacy, research, targeted programs and scholarships, CEW helps to remove the barriers to women's progression and ensure equal opportunity for prosperity. CEW's members work actively to realise our vision of a community where women and men have equal economic and social choices and responsibilities.