



Chief Executive Women

Women leaders enabling women leaders

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WGEA Review Team – Consultation
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600
via wgeareview@pmc.gov.au

Review of the Workplace Gender Equality Act 2012

Chief Executive Women (CEW) welcomes the opportunity to provide a submission in response to the Review of the Workplace Gender Equality Act 2012 (*the Workplace Gender Equality Act*).

Founded in 1985, CEW represents Australia's most senior and distinguished women leaders across business, academia, government, the arts and not-for-profit sectors. Our shared mission is 'women leaders enabling other women leaders'. Through advocacy, targeted programs and scholarships, CEW works to remove the barriers to women's progression and ensure equal opportunity for prosperity.

As a member organisation, CEW is uniquely positioned to offer solutions for achieving gender balanced leadership and removing the complex barriers to women's progression and economic security. CEW's members have leading roles within Australia's largest private and public organisations overseeing more than \$749 billion in revenue, 1.3 million employees, \$1.144 trillion combined market capitalisation and making a greater than \$249 billion contribution to Australia's GDP.

CEW has consulted with senior business leaders and CEW members, and CEW draws on its members' expertise and experience, as well as the body of thought leadership CEW has developed to inform this submission.

Improving gender equality in Australian workplaces

The Review of the *Workplace Gender Equality Act 2012* provides an important opportunity to enhance and strengthen the mechanisms for driving gender equality in Australian workplaces.

The WGEA reporting on gender equality is a model of world excellence; as one CEW member said, "it's a national treasure." WGEA's annual reporting cycle is an invaluable tool for ensuring gender equality is on the agenda of employers and enabling stakeholders to monitor change over time. A member of CEW's Connect community remarked, "WGEA reporting has been the single most important mechanism in triggering an informed conversation internally in the organisation I work for on the gender pay gap."

In addition, WGEA's education and thought leadership role has been an important means of supporting reporting entities to develop policies and programs to close the gender gaps. In

particular, we see it as beneficial for the Agency to collate and publicise positive examples of organisations driving a cultural shift to support gender equality in the workplace. As noted by an Australian business leader and CEW member, “More communication about organisations that do well in the gender equity space should be provided as positive role models to what ‘good’ looks like.”

The WGEA reporting process provides organisations with the relevant data to disclose their performance in relation to environmental, social and corporate governance (ESG) reporting. With an increased focus on ESG reporting, the WGEA gender equality reporting provides a rigorous database for ESG reporting as well.

However, the lack of progress in advancing gender equality is evident in Australia’s ranking in the World Economic Forum Global Gender Gap Index¹, the widening of the gender pay gap in 2021 and the findings of the *CEW Senior Executive Census 2021*, which show that progress on gender balanced leadership teams in the ASX300 has stalled. In 2021, of 23 CEO appointments, only 1 has been a woman and 44 of the ASX300 have no women on their executive leadership teams.²

Strengthening and enhancing WGEA’s comprehensive data collection and reporting to drive action and progress is necessary to close the gender gaps. As highlighted by a senior Australian business leader and CEW member, “The more accurately we can expose point in time and trend data the better because subliminally it changes consciousness.”

This Review is a timely reminder that in addition to monitoring and reporting, corrective action is essential to progressing gender inequality in Australian workforces. Greater purposeful action is needed to close the identified gaps across Australian workplaces.³ Effective strategies must be in place to ensure employers are adequately supported to eliminate the barriers to the full and equal participation of women in the Australian workforce.

CEW supports a granular, relevant and fit-for-purpose dataset and reporting framework that includes: the publication of company gender pay gaps; stronger compliance mechanisms; and a more transparent picture of the gender composition at senior leadership levels – all of which are critical to enabling real change on gender equality. Business leaders have also highlighted the need for a more comprehensive dataset to understand how gender intersects with other identity markers to contribute to gender inequality and the gender gaps.

CEW makes the following recommendations for strengthening and enhancing WGEA that can drive action and progress towards gender equality:

- 1. Improve transparency in pay gap reporting**
- 2. Include compliance mechanisms in *the Workplace Gender Equality Act***

¹ World Economic Forum, 2021, *Global Gender Gap Report*, https://www3.weforum.org/docs/WEF_GGGR_2021.pdf.

² Chief Executive Women, 2021, *CEW Senior Executive Census 2021*, [CEWCENSUS21 ASX300Report- FINAL.pdf](#)

³ Workplace Gender Equality Agency, 2021, *Workplace Gender Equality Agency Progress Report 2019-20*, [Workplace Gender Equality Agency Progress Report 2019-20 \(wgea.gov.au\)](#)

3. Enhance data collection and reporting on diversity (especially age, non-binary, race/culture, disability and LGBTQI)
4. Enhance data collection and reporting on gender representation in senior leadership roles

Recommendation 1: Improve transparency in pay gap reporting

The *Bridging the Gap?: An analysis of gender pay gap reporting in six countries* report (2021) by King's College London notes that the absence of clear mechanisms for transparency gender pay gap reporting can be ineffective in producing corrective action.⁴ The lack of public disclosure of organisation-level pay gaps is a key limitation of the WGEA's current gender pay gap reporting.⁵ CEW supports increased transparency to include publicly available gender pay gaps (total remuneration for all employees) at the organisation level.

There is emerging evidence that consumer behaviour is influenced by the publishing of organisation-level gender pay gaps, as consumer purchase intentions towards high pay gap firms are reduced.⁶ According to a 2021 discussion paper by the Centre for Economic Performance at the London School of Economics and Political Sciences, as this data becomes publicly available, the preference of employees, and particularly women, to work at organisations that have lower pay gaps is contributing to a reduction in the gender pay gap.⁷

The WGEA *Progress Report on the Workplace Gender Equality Agency 2019-2020*, under the former Director of the WGEA and CEW member Libby Lyons, identifies the importance of publishing the gender pay gaps of the organisations who report to the WGEA, stating that "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." CEW supports the publication of gender pay gaps of organisations to catalyse change and move organisations towards really addressing the gaps.

CEW supports the publication of organisation-level pay gaps of organisations who report to WGEA via:

- As recommended in the WGEA submission to the Review, include data on individual organisations gender pay gaps (base salary and total remuneration), in percentages and dollar figures and by gender pay gap and workforce composition quartiles in WGEA's public dataset.
- Consider reporting against fixed packages versus composite remuneration packages (i.e. full equity/ part-equity/salary).

⁴ King's College London, 2021, *Bridging the Gap?: An analysis of gender pay gap reporting in six countries*, <https://www.kcl.ac.uk/giwl/assets/bridging-the-gap-full-report.pdf>

⁵ King's College London, 2021, *Bridging the Gap?: An analysis of gender pay gap reporting in six countries*, <https://www.kcl.ac.uk/giwl/assets/bridging-the-gap-full-report.pdf>

⁶ Schlager, T., Mohan, B., DeCelles, K., & Norton, M, 2021, *Consumers— especially women—avoid buying from firms with higher gender pay gaps*. *Journal of Consumer Psychology*, <https://doi.org/10.1002/jcpy.1219>

⁷ Jack Blundell, Centre for Economic Performance, 2021, *Wage responses to gender pay gap reporting requirements*, <https://cep.lse.ac.uk/pubs/download/dp1750.pdf>

- As recommended in the *Bridging the Gap* report, prominently display gender pay gap reports on an employer’s website.⁸
- Making the collection of remuneration data for Chief Executive Officers (CEOs) or the equivalent mandatory.
- Consider the Icelandic model, whereby reporting entities incur a fine for being unable to prove their male and female employees are paid equally for the same job⁹.

Recommendation 2: Include compliance mechanisms in *the Workplace Gender Equality Act*

The lack of compliance mechanisms for furthering gender equality in the Australian workforce is also a barrier to necessary progress and corrective action.¹⁰ Currently under the *Workplace Gender Equality Act 2012*, the minimum standards require a reporting entity to have in place policies or strategies to support at least one of the four gender equality indicators.¹¹ However, organisations are not required to act on identified gender inequalities or gaps and failure to undertake positive actions does not breach employer reporting obligations and carries no enforceable penalty.

One CEW member and senior business leader noted, “I am not convinced that the consequences to non-compliance are effective enough to drive a faster paced change ... additional consequences and potentially financial penalties for organisations that are continually not meeting compliance standards could be considered.”

Supporting WGEA’s submission to the Review, CEW recognises that policies need to be accompanied by measurable and visible targets to bring about necessary change. The *CEW Senior Executive Census 2021* demonstrates that targets are one of the most effective mechanisms to drive the changes needed to increase the representation of women in leadership teams. The *Bridging the Gap?* report also explains that when reporting is voluntary or poorly monitored, compliance falls dramatically. For example, over 45% of employers who conducted a pay gap analysis took no action to close any identified gaps. As such, the “tick-box” element of reporting should be reassessed to prevent employer complacency.¹²

To drive progress on gender equality through compliance in the Australian workforce, CEW suggests the following measures:

- Employers be required to have a policy and/or strategies in place to support each of the four Gender Equality Indicator (GEIs).

⁸King’s College London, 2021, *Bridging the Gap?: An analysis of gender pay gap reporting in six countries*, <https://www.kcl.ac.uk/giwl/assets/bridging-the-gap-full-report.pdf>

⁹The Two-Way, 2018, ‘Companies In Iceland Now Required To Demonstrate They Pay Men, Women Fairly’, <https://www.npr.org/sections/thetwo-way/2018/01/03/575403863/companies-in-iceland-now-required-to-demonstrate-they-pay-men-women-fairly>

¹⁰ King’s College London, 2021, *Bridging the Gap?: An analysis of gender pay gap reporting in six countries*, <https://www.kcl.ac.uk/giwl/assets/bridging-the-gap-full-report.pdf>

¹¹ The four Gender Equality Indicators are: gender composition of the workforce, equal remuneration between women and men, availability and utility of employment terms, conditions and practices relating to flexible work arrangements and supporting employees with family or caring responsibilities; sex based harassment and discrimination.

¹²King’s College London, 2021, *Bridging the Gap?: An analysis of gender pay gap reporting in six countries*, <https://www.kcl.ac.uk/giwl/assets/bridging-the-gap-full-report.pdf>

- 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.
- Reporting requirements could be extended to include action plans and associated performance improvement mechanisms for assessment and monitoring against the identified target.
- Consider financial sanctions where reporting entities do not abide with the reporting requirements of the WGE Act, as recommended in the *Bridging the Gap?* report.

Recommendation 3: Enhance data collection and reporting on diversity (especially age, non-binary, race/culture, disability and LGBTQI)

Looking at gender gaps alone does not deliver the whole picture of gender inequality and government and employers therefore need to take an intersectional approach.¹³ As identified in the *Bridging the Gap?* report, an absence of intersectional data (e.g. age, disability, race/cultural background and LGBTQI identity) makes it difficult to recognise how gender intersects with other identity elements to contribute to particular kinds of exclusion¹⁴ and thereby contribute to the gender gaps.¹⁵ As acknowledged in WGEA's submission for the Review,¹⁶ collecting data which supports organisations to take an intersectional approach is essential to developing more 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, there would be value in WGEA developing resources and guidelines to support reporting entities to manage the collection of this data.

CEW suggests the following measures to adopt a more intersectional approach in data collection:

- Making the collection of data on an employee's primary workplace location and age (year of birth) mandatory, noting this data is currently collected voluntarily.
- Consider requiring employers to provide data on the composition of their workforces, including non-binary people, noting this data is currently collected voluntarily.
- Introduce data collection for intersecting forms of diversity, including Aboriginal and/or Torres Strait Islander background, race/cultural background, disability and LGBTQI.
- Consider expanding reporting obligations to organisations with 50 or more employees, supported by simplified reporting mechanism through available information sources such as single touch pay roll data and greater use of administrative data.

¹³ King's College London, 2021, *Bridging the Gap?: An analysis of gender pay gap reporting in six countries*, <https://www.kcl.ac.uk/giwl/assets/bridging-the-gap-full-report.pdf>

¹⁴ King's College London, 2021, *Bridging the Gap?: An analysis of gender pay gap reporting in six countries*, [bridging-the-gap-full-report.pdf \(kcl.ac.uk\)](https://www.kcl.ac.uk/giwl/assets/bridging-the-gap-full-report.pdf)

¹⁵ King's College London, 2021, *Gender pay gap reporting in Australia: Time for an upgrade*, <https://giwl.anu.edu.au/sites/default/files/docs/2021/10/Gender%20pay%20gap%20reporting%20in%20Australia%20-%20time%20for%20an%20upgrade.pdf>

¹⁶ WGEA, 2021, *WGEA Submission to the Review of the Workplace Gender Equality Act 2012*, [wgea-submission-13-workplace-gender-equality-agency_0.pdf \(pmc.gov.au\)](https://www.pmc.gov.au/workplace-gender-equality-agency_0.pdf)

Recommendation 4: Enhance data collection and reporting on gender representation in leadership

In addition to the existing data collection and reporting on managers and non-managers there is a need for greater transparency and granularity on the gender composition of leadership and executive teams. The *CEW Senior Executive Census* provides an annual sample of the lack of gender balance in these teams in Australia's largest publicly listed companies.

Gender balance in executive leadership teams and pipeline roles is critical to ensuring significant progress towards gender equality in the Australian workforce. 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. As acknowledged by a CEW member and senior business leader, "the only way we can fix these issues is to increase the representation of women at senior levels."

While progress on gender balanced leadership has stalled across the ASX300, there are pathways for companies to achieve gender equality at a senior level and this starts with comprehensive data collection and reporting.¹⁷ For example, reporting on gender balance in critical talent pools could be an important means of monitoring and progressing gender balance in the pipeline for leadership roles.

CEW suggests the following additions to reporting:

- Continuing with reporting against levels up to CEO.
- Reporting on publicly listed companies versus non publicly listed companies.
- The current trial for voluntary reporting by public sector organisations be made mandatory for all public sector organisations, which supports *Respect@Work* report recommendation 43.

***Respect@Work* Recommendations**

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

- Recommendation 42: consider how good practice indicators for measuring sexual harassment might apply under the *Workplace Gender Equality Act 2012* (Cth).
- Recommendation 43: amend the *Workplace Gender Equality Act 2012* (Cth) to require public sector organisations to report on their gender equality indicators; fund the Workplace Gender Equality Agency adequately to meet these expanded reporting obligations.

CEW is supportive of employers reporting sex-based harassment and discrimination claims to WGEA in line with the *Respect@Work* report Recommendation 3: *Agencies that handle workplace sexual harassment matters work with the Workplace Sexual Harassment Council to: a) collect an agreed de-identified data set relating to workplace sexual harassment enquiries, complaints, claims and*

¹⁷ Chief Executive Women, 2021, *CEW Senior Executive Census 2021*, [CEWCENSUS21_ASX300Report- FINAL.pdf](#)

settlement outcomes to contribute to a coordinated system of annual reporting on workplace sexual harassment metrics b) establish formal arrangements for information sharing and data exchange on enquiries, complaints and claims relating to workplace sexual harassment matters.

CEW can provide further information in relation to these recommendations if required.

Yours sincerely,

Susan Metcalf
Chief Executive Officer
Chief Executive Women