

A Director's guide to accelerating workplace gender equality

About this guide

Boards have a key role to play in accelerating progress on workplace gender equality. This resource provides context, practical insights, and questions for Boards and Directors on this persistent issue that is in greater focus from 2023, particularly in the context of <u>legislative reform</u>.

Background

Under the *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Act 2023* employers that report to the Workplace Gender Equality Agency (WGEA) must share with their Board or governing body:

- The WGEA reporting Executive Summary this contains the key results of your submission to WGEA's annual Gender Equality Reporting, as required under the Workplace Gender Equality Act 2012.
- The Industry Benchmark Report a comparative summary from your submission to WGEA reporting. It uses an industry comparison group generated by the Australian and New Zealand Standard Industrial Classification (ANZSIC) industry class or division and group size.

In addition, from early 2024, WGEA will publish on its website private sector employer gender pay gaps, by median and the gender composition and average remuneration per pay quartile.

Guidance for Directors

Boards play a critical role in accelerating change on workplace gender equality. The leadership of the Board in relation to its own gender and other diversity, its role in organisational strategy, CEO KPIs, and governance of progress toward outcomes is key to setting expectations for and governing progress.

The guidance below is informed by evidence-informed direction from WGEA on strategies and policies that work to achieve change and is aligned with the Australian Human Rights Commission's guidance on complying with the positive duty to prevent and respond to sexual harassment at work.

Gender equality is a complex issue related to societal norms and with causes and consequences at an organisational level. It is the Board's responsibility to understand the state and drivers of gender equality in their organisation and to demand and monitor progress on action to achieve workplace gender equality.

Board priority	Prompts for action	Questions
Start with the Board	 Do all Directors have a good understanding of what is driving the organisation's gender pay gap? If not, ask management to conduct and share the results of a gender pay gap analysis. Guidance is available on <u>the WGEA website</u>. Is a strategic focus on gender equality reflected in which committee will lead on workplace gender equality? Is the Board and are committees gender-balanced? If not, what action is being taken to address this? For example: Setting targets (e.g., 40:40:20) Seeking gender-balanced candidate pools Director term limits to promote Board renewal Gender-informed Board renewal, committee appointment and succession planning Is the Board aware of new requirements to report sexual harassment prevention and response information to WGEA? This is important in the context of the new positive duty on employers to prevent workplace sexual harassment, sex discrimination and victimisation. 	 How is the Board thinking about gender and other diversity? Modelling a culture of psychological safety and inclusion is an important enabler for reporting of sexual harassment. In the context of Directors' roles to prevent sexual harassment under the positive duty, how does the Board reflect this culture?
Manage reputational risks and identify opportunities	→ WGEA will publish employer gender pay gaps for the first time on 27 February 2024. What is the organisation's communication – externally and internally to employees – about the organisation's gender pay gap? Guidance is available on the WGEA website.	How are you seizing the opportunity created by increased focus on gender equality to accelerate change in your organisation? Is this articulated in your (voluntary) <u>Employer</u> <u>Statement</u> that can be published alongside your gender pay gap?
Set expectations	 What expectations of management is the Board setting on how quickly and 	 Does management need support or

	 ambitiously to improve gender equality? → Does your Employer Statement reflect your commitment and goals in relation to workplace gender equality? → How are gender equality outcomes reflected in CEO, executive and manager KPIs? 	 development to enable them to understand and take action on the causes of your gender pay gap? Is line management accountable for delivering gender equality outcomes (e.g., equal uptake of flexible work or parental leave), or is it delegated to Human Resources?
Monitor progress	 Did your organisation conduct a pay gap analysis this year? Guidance is available on the WGEA website. What were the insights and resulting actions? Do any of your regular reports (e.g., a quarterly business update) include key gender equality metrics? For example: Gender equality strategy implementation progress Gender pay gap Women in leadership and key management roles Promotion to management roles, by gender Complaints of sexual harassment and other harmful conduct in the workplace covered by the positive duty Men's take-up of paid parental leave 	 How does your organisation compare with similar organisations in terms of workplace gender equality? The WGEA Industry Benchmark Report provides insight, as do comparisons possible on the WGEA <u>Data</u> <u>Explorer</u>.

Additional resources

- → Get future ready: A guide to understanding changes to WGEA's legislation
- → Gender Pay Gap Analysis Guide
- → Gender Pay Gap Employer Statement Guide
- → Get Future Ready: Communications 10 Point Guide
- → WGEA's Data Explorer