



PUBLISHING EMPLOYER GENDER PAY GAPS

A GUIDE TO DEVELOPING AN EMPLOYER STATEMENT

This guide provides information and advice for employers to help you develop an Employer Statement to sit alongside your gender pay gap results.

Overview

What is this document for?

When WGEA publishes your gender pay gap, you will have the opportunity to give context to the results through an Employer Statement. A link to this Statement will sit alongside your gender pay gap results on WGEA's website.

If you want to provide a Statement, this guide is intended to help you think about how to go about it. It is not intended to be prescriptive.

The Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Act 2023 requires the Workplace Gender Equality Agency (WGEA) to publish private sector employer gender pay gaps from early 2024, and Commonwealth public sector gender pay gaps from late 2024/early 2025.

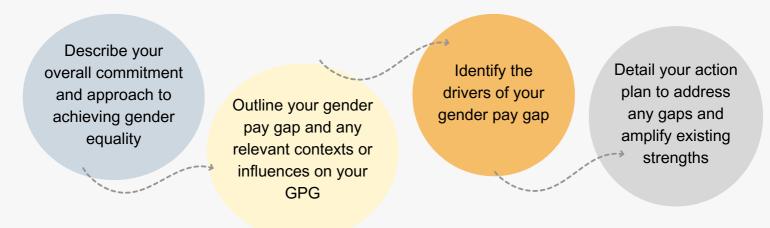
International experience has shown that increasing the visibility of employer gender pay gaps is an effective catalyst for change on workplace gender equality. This includes progress on narrowing the gender pay gap and its drivers.

The gender pay gap is a universally recognised metric of workplace gender equality. However, it is a broad and highly contextual measure, and is one of several that can be drawn on to signal an employer's commitment to achieving gender equality in the workplace.

For this reason, the Workplace Gender Equality Agency encourages employers to analyse and then share, the details and context of their gender pay gap, including the actions they have decided to undertake to address them.

We call this your gender pay gap **Employer Statement**.

Figure 1: Steps to developing your narrative



Building your statement

The content of your Employer Statement is entirely your choice. You can use an existing document, such as your gender equality strategy, or develop something specifically for the task. Generally, a simple outline of your current position and plans will be the most effective and accessible. Your employees (and potential employees) are likely to be your main readers. Below are key sections you may want to include in your gender pay gap Employer Statement. Two example statements and other useful links and resources can be found at the end of this guide.

1. Overall approach

Describe your overall commitment to gender equality and why it's important for your organisation.

2. Your gender pay gap & organisational context

Provide an overview of your gender pay gap data and how you make sense of your gender pay gap results.

This section could include details on your organisation's size, workforce composition and

current gender equality initiatives. A snapshot of how your gender pay gap data compares against other relevant employers and your overall industry results will also provide useful context.

Your WGEA Executive Summary is a great place to start with this section. Supplementary data to draw on can be found in your WGEA Industry Benchmark Report and on WGEA's <u>Data Explorer</u>.

Gender pay gap drivers

Articulate what is shaping your gender pay gaps. Some, but not all, gender pay gap drivers are under your control and there may also be external influences you have had to consider. In both cases, you should highlight what is influencing your gender pay gap outcomes and metrics.

Other things to consider in this section are the gender pay gap drivers at various levels and roles within your organisation. Our experience suggest that analysis based on your Key Management Personnel, manager and non-manager pay gaps are baseline data points you can examine and explain.

You might also consider adding details of any attraction and retention drivers that are relevant and you will draw on in your action plans (e.g., gender uptake of paid parental leave or flexible work arrangements for example). Any useful references to your corporate business plans and strategies would also fit here, and together, will ensure readers understand why certain actions have been prioritised and embedded in your action plans.

Understanding the Gender Pay Gap

Undertaking a Gender Pay Gap analysis is a first and critical step in addressing your organisation's gender pay gap.

Completing a detailed analysis will help you understand what is driving your gender pay gap, and will reveal the best ways to address it.

Tools and resources to assist you in completing a Gender Pay Gap analysis can be found here.

4. Actions and Strategies

The organisation specific data that emerges from a gender pay gap analysis means the action plan/s you devise and undertake to narrow your gender pay gap will almost certainly differ from workplace to workplace and across industries. For example, some action plans might include undertaking an organisation wide salary and bonus audit and addressing any gaps or anomalies. Other organisation plans could prioritise undertaking a gender impact assessment of your leadership training and development plans, or addressing your gender composition for all entry level positions.

The variability and the breadth of opportunities from your analysis means different workplaces will initiate actions that pull a set of levers that apply to their own goals and contexts.

The most important aspect of your Employer Statement is to ensure it makes a strong and explicit link between your gender pay gap analysis, your drivers and your plans and actions. This will highlight to stakeholders your understanding and commitment to gender equality and serve as a roadmap to your progress and impact.

Next steps...

International experiences strongly suggest organisations found the publication of gender pay gaps has been a positive catalyst for change at the workplace level. It has also amplified the momentum and incentives for more collective actions and collaboration at industry level. Consulting with your staff and taking time to understand their experiences and perspective on and around remuneration and other 'moments that matter' across the employee lifecycle will improve the reach and effectiveness of your action plans and strategies and continue to build value and trust as an employer.

Managing Stakeholders

Who will read your Employer Statement?

The level of interest and focus from stakeholders on the gender pay gap will vary across employers.

It is likely employees (and potential employees) will be the main audience for your Employer Statement. There are however several audiences who will be important to consider.

- Board or governing body
- Employees and prospective employees
- Shareholders and investors
- Relevant employee organisations, peak bodies and industry groups
- Customers
- The media

Remember



Your Employer Statement is an opportunity to showcase the strengths of any existing gender equality efforts as well as identify where and how you plan to improve your gender equality outcomes and gender pay gaps. It will assist employees and stakeholders to make sense of your gender pay gap and should communicate the pathway to progression, it is not meant to be a document that outlines or promises perfection.

Although the gender pay gap is a universally recognised way to demonstrate your commitment to gender equality, it is not the only way and your Employer Statement and action plan will put your gender pay gap in a broader context.

Focussing on the remuneration elements of your gender pay gap is a necessary but not sufficient way to narrow your gender pay gap. Addressing issues of gendered composition and amplifying the most relevant attraction, retention and employee engagement levers for your workplace is also critical. Building your efforts beyond pay and remuneration metrics alone will almost always reduce your gender pay gap over time.

Each organisation's statement and action plan will be different. An employer's corporate or commercial goals and strategies can assist you to prioritise your actions and help you choose from amongst a range of possible goals and actions that emerge from your GPG Analysis.

It is better to prioritise a few critical actions to start with rather than try and address everything that might be indicated by your Gender pay Gap Analysis.

WGEA is building a suite of tools and advisory services to assist employers to take effective action on their gender pay gaps. Sign up to the WGEA newsletter here where we share contemporary research and innovations on actions that narrow your gender pay gap and be the first to hear about the new tools and resources we are launching to assist you.

Building trust



The action plans you develop and communicate in response to your gender pay gap can be a powerful asset for attracting and retaining talent independent of your gender pay gap.

There is no doubt that a zero-pay gap is an attractive and engaging outcome to aim for, but having a clear and purposeful action plan to address your gender pay gaps can also be an effective attraction lever.

A targeted, honest narrative with a forward-thinking action plan can exemplify organisation values like honesty and authenticity. It can also be exciting to people who may want to be part of your organisation plans, progress, and success towards gender equality.

"If you back up a vulnerability with the conviction to change, improve, or do good, it can be incredibly alluring and very difficult to resist, especially when someone believes they could have a significant role in getting you there." - The Harsh Truth About Employer Value Propositions

Publishing your Gender Pay Gap



When will it happen?

Early 2024.

Public service: Late 2024/early 2025.

Where will it be published?

On the WGEA website via our existing Data Explorer tool.

What will be published?

WGEA will publish base salary and total remuneration median gender pay gaps, as well as the gender composition and average remuneration per pay quartile.

Data for the pay gap calculations will be taken from the April 2022- March 2023 reporting period, as submitted by employers.

Tools and Resources

The following tools will help you to craft and build your Employer Statement:

WGEA Resources:

<u>Understanding the Gender Pay Gap</u>
<u>Calculating Your Gender Pay Gap</u>
<u>Get Future Ready - 10-point Communication Guide</u>
<u>The Gender Equality Strategy tool kit</u>

Example Employer Statements*

Example 1: AVIVA Gender Pay Gap Report 2022 Example 2: Stryker - 2021 Gender Pay Gap Report

You can also find helpful information on developing gender action plans for your Employer Statement on the Victorian Gender Equality Commission website and in particular, advice on creating <u>strategies</u> and <u>measures</u>.