



GET FUTURE READY COMMUNICATIONS 10 POINT GUIDE

Australia is moving to accelerate progress for gender equality by publishing employer gender pay gaps. This Communications 10 Point Guide provides practical advice for communicating about gender equality in your workplace.



THE WORKPLACE GENDER EQUALITY AGENCY (WGEA) WILL PUBLISH THE GENDER PAY GAPS OF AUSTRALIAN EMPLOYERS FOR THE FIRST TIME ON 27 FEBRUARY 2024.

THERE'S NEVER BEEN A BETTER TIME TO START TALKING ABOUT YOUR ORGANISATION'S GENDER EQUALITY JOURNEY THAN NOW.

This Communications 10 Point Guide is for communications teams and company representatives who are responsible for talking to key audiences about your organisation's approach to gender equality.

Experience shows that people don't expect perfection. They expect genuine commitment and improvement.

They want to see that organisations have thought about their gender equality strategy and have a clear path forward.

For this reason, employers will have the opportunity to provide an <u>Employer Statement</u> to sit alongside their published gender pay gap on the WGEA website, that gives context to their results and outlines their plans for action.

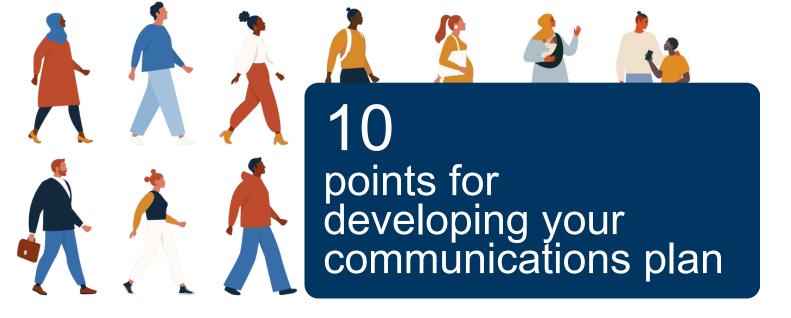
The best time to start communicating that path forward is now.

WGEA's **Get Future Ready: Communications 10 Point Guide** offers practical advice and resources to support you to communicate with internal or external audiences about what your organisation is doing to create equal opportunities for all employees.

Communications checklist

HAVE YOU...

Followed WGEA on <u>LinkedIn</u> , <u>signed up to our subscriber newsletter</u> and reviewed all relevant correspondence sent to your reporting contact
Reviewed the WGEA webpages on changes to the <u>Workplace</u> <u>Gender Equality Act 2012 (Cth)</u> and <u>publishing employer gender pay</u> <u>gaps</u>
Reviewed your WGEA Executive Summary and Industry Benchmark Report
Explored WGEA's updated and improved Data Explorer
Read WGEA's Gender Equality Scorecard 2023
Prepared your organisation's <u>Employer Statement</u> and uploaded a link to it on the Reporting Portal
Identified and consulted with all relevant internal stakeholders
Developed your communications strategy for the release of your employer gender pay gap
Developed tailored resources to support your communications
Considered your long-term planning



1. Transparency builds trust

Deliberate, consistent and transparent communication with your workforce and external stakeholders builds trust. Transparency also supports better employee morale, lowers job-related stress and supports high levels of employee satisfaction and performance.¹

Proper preparation will ensure you are ready with the right tools, information, and resources to ensure Board members, leadership and the workforce understand the gender pay gap and the actions your organisation is taking close it.

Learn about the legislative reforms here: <u>WGEA's Roadmap to Closing the Gender Pay Gap</u> | <u>Publishing employer gender pay gaps</u> | <u>Australia's gender equality reporting legislation</u>

2. Knowledge is power

What is the gender pay gap? How is it calculated? Why is it an important metric for understanding gender equality in the workplace? What is WGEA publishing in February 2024? These are all questions that could be put to you by your stakeholders and it's important to build this knowledge now.

The gender pay gap is the difference in average earnings between women and men in the workforce. An *employer* gender pay gap reflects the difference between the average remuneration of women and the average remuneration of men across the whole organisation. It is not a reflection of the differences in pay between men and women in the same roles.

In the UK, employer gender pay gaps have been published since 2017. Research on the impact of this policy shows positive results. It's motivating companies to discuss and prioritise gender equality and to take actions that have narrowed the wage gap between women and men. A survey two years after gender pay gaps were first published in the UK found that 70% of respondents said the measure had prompted increased awareness of gender pay issues at Board level and 57% said it had provided an opportunity or platform for increased focus on wider equality and diversity issues within their organisation.²

Learn more here: <u>What is the gender pay gap?</u> | <u>How to calculate a gender pay gap</u>

Average versus median gender pay gaps

Your organisation is used to seeing and receiving your gender pay gap as an average. This is how WGEA publishes the national and industry gender pay gaps.



In your results from your 2022-23 gender equality reporting, we provided you with your base salary and total remuneration gender pay gaps by *average*, by *median*, as well as *gender composition by pay quartile*. On 27 February 2024, WGEA will only publish **median** gender pay gaps and **gender composition by pay quartile**.

The average gender pay gap is calculated by adding up the wages of all employees and dividing that number by the number of employees. The median is the number that falls into the middle when everyone's wages are lined up from smallest to largest. In a perfectly symmetrical distribution, the average and the median are the same. But pay isn't symmetrical in any business.

The main reason for not publishing average gender pays gaps in 2024 is that from 2023-2024 gender equality reporting, employers must report CEO, Head of Business and casual manager remuneration to WGEA. We know that CEO remuneration will generally be much larger than other employees and that almost 80% of the CEOs of employers reporting to WGEA are men. This may impact your average gender pay gap. So, for the first year of gender pay gap reporting – while we don't have CEO remuneration – we will only publish your median gender pay gap. In 2025, we will publish both *average* and *median*.

3. Build your gender equality credentials

Audiences understand that improving gender equality is a process. The key is showing there is a commitment and a process to improve. You can support this messaging by:



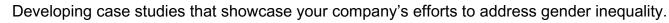
Articulating policies/strategies that define your organisation's approach and actions to help achieve gender equality.



Compiling the data to show the outcomes of your gender equality strategy/initiatives (where available).



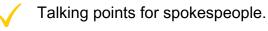
Being honest about the challenges and areas for improvement.



Putting a face to communications by using your CEO and Executive Team to outline and reinforce commitment to gender equality and the steps being taken to improve it.

4. Develop tailored resources to support communications

Prepare materials to share your unique approach, experience and results with your audiences throughout the communications process including, but not limited to:



Fact sheets on key policies and initiatives.

Frequently asked questions.

Profiles of company leaders who are responsible for implementing the diversity and inclusion strategy or employees who have benefitted from company efforts to accelerate change.

Other videos or written content exemplifying programs or policies.

Ensure your website content is updated, including:

- A webpage on your work to improve gender equality.
- Links to company resources, including policy or strategy documents on workplace diversity and inclusion.
- A link to WGEA's <u>Data Explorer</u> to promote understanding of how your organisation is situated against industry and national results.

5. Understand your gender pay gap

Each year, at the conclusion of reporting, employers can download their Reporting Overview, with your average gender pay gap calculated. Your Executive Summary and Industry Benchmark Report <u>are now available to download from WGEA's reporting portal</u>. These reports summarise key findings from your Gender Equality Reporting, including providing you with all your gender pay gap calculations. Your Industry Benchmark Report will also provide an analysis of how your organisation is performing against other comparable companies in your industry.

In 2023, you are **required to share your Executive Summary and Industry Benchmark Report with your board or governing body**.

These reports are essential to understanding how your organisation's gender pay gap will be perceived, including areas in which you outperform your peers and areas for improvement.

This is an opportunity to assess and discuss the findings in detail, to understand what the data is showing about your organisation and the drivers contributing to the gender pay gap.

Learn more about your industry on our Data Explorer.

Calculating your own gender pay gap versus WGEA's calculation

WGEA will calculate and publish your gender pay gap using the workplace data you provide in your annual Gender Equality Reporting. This is the gender pay gap that is presented in your Executive Summary. If your organisation publishes its own gender pay gap, it may be different to the gender pay gap in the Executive Summary. You may want to consider how you will explain these differences.

6. Understand how you're performing, against the national context

The WGEA <u>Gender Equality Scorecard</u> sets out the key national and industry findings from the 2022-2023 gender equality reporting. You can use this report to understand how your organisation performs on a national scale and to benchmark against your industry peers.

The release of the Gender Equality Scorecard is an opportunity to:



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Review your gender equality performance and use these insights to inform communications with your audiences.



Share the WGEA Scorecard with your workforce and leadership, highlighting key areas that align with your organisational approach to gender equality.



Use WGEA's social media to promote and lead discussion on gender equality.

7. Prepare your gender pay gap Employer Statement

Both internal and external factors influence your gender pay gap. While the gender pay gap is a proxy for gender equality, it may not provide a complete picture of an organisation's commitment to it.

That's why employers will have the opportunity, in advance of the gender pay gap results being published, to provide an Employer Statement that gives context to their gender pay gap results and outlines plans for action. This Statement is your opportunity to set out your gender equality narrative and your path forward.

Your gender pay gap will be published whether or not you provide an Employer Statement. We strongly encourage you to work with your team to develop a Statement to accompany your gender pay gap.

WGEA tools and resources to help you prepare: <u>Gender Pay Gap Employer Statement Guide</u> | <u>WGEA Reporting Portal</u>: Instructions for when and how you can upload your Statement

Gender pay gap reporting in the United Kingdom

In the UK, employers are required to calculate their hourly gender pay gap, percentage of women in each pay quarter and bonus pay gap, which the government publishes online. Each employer can also provide an explanatory statement. Explore the UK's <u>gender pay</u> <u>service</u> to see how reporting can look and what employers say about their gender pay gaps.

8. Consider your internal audience

Your employees will be key stakeholders around the publication of gender pay gaps. Your gender pay gap could have an impact on your recruitment, retention and reputation. Ensuring your employees understand your gender equality approach will help celebrate successes and mitigate concerns around the publication of your gender pay gap.

Some key questions you may want to ask in developing your internal communications plan include:



Do your employees know about the organisational approach to gender equality?



How does this announcement affect them?

Are they aware of the actions taken, including whether a pay gap analysis is conducted regularly, and the outcome of that analysis?

Do you have any employee action groups or networks you can work with to understand points of action or areas of concern?

Gender pay gap publication day (27 February 2024)

Experience in the UK shows that the media, the public and policy makers were interested in the publication of employer gender pay gaps from the date of publication. However, only a minority of employers adopted an active engagement strategy to communicate their results to their employees, clients, suppliers, investors and other external stakeholders. This allows the media and commentators (like the <u>Gender Pay Gap Bot</u>) control over the narrative.

Taking into account the information you have gathered and consultations conducted, you should consider if and how you want to communicate on publication day, including:

Encouraging discussion on gender equality in the workplace and the organisation's gender pay gap via internal staff communications.



Hosting an employee webinar or event, with an opportunity for staff to engage with leadership on the gender equality strategy.



Developing an FAQ/talking points for leadership that explains the 'why' behind the employer gender pay gap.



Share WGEA's social media content to promote and lead discussion on gender equality (follow us on LinkedIn).

10. Think about your gender pay gap journey

At the second release of employer gender pay gaps in early 2025, audiences will be able to see if your gender pay gap has increased or decreased. It will be a public accountability for employers on the performance of your gender equality strategy.

It will also be an opportunity for your audience to assess whether your company's performance on the gender pay gap aligns with your brand. This will be particularly true as changes to your gender pay gap become clear over time. This long-term approach should be considered when planning your communications.

Changes to the information employers report to WGEA, that can be implemented at 2023-24 gender equality reporting, mean WGEA will publish gender pay gaps by *average*, as well as *median*. These changes include:

Collection of CEO, Head of Business and Casual Manager remuneration and the inclusion of this information in gender pay gap calculations.

Collection of workforce data on employee age (year of birth) and primary workplace location.

Reporting on sexual harassment or discrimination polices and prevalence.

Employers with 500 or more employees will be required to have a policy or strategy for each of the six gender equality indicators.





How to handle common objections and misconceptions

Won't this cause an uproar amongst my employees?

Experience in the UK showed that there was not a widespread staff reaction when employers published their gender pay gaps.⁴ We also know that the best way to prepare for any potential internal backlash is to know the causes of your gender pay gap and have your Employer Statement ready that gives context to your results and outlines plans for action. This is as important for internal audiences as external audiences.

Experience from the UK also indicates that making gender pay gaps publicly available motivated the worst performers to "reduce their gender pay gap the most" and that public scrutiny can magnify the response of entire sectors.⁵

When it comes to the gender pay gap, you cannot fix what isn't being measured.

Can't I just ride this out and hope my gender pay gap goes unnoticed?

Yes, you can. But silence isn't always golden.

Employers who fail to do the groundwork now to get future ready risk their workforce filling the void with assumptions or misinformation.

If your organisation has a persistent gender pay gap, it may be perceived as having a problem with gender equality. This can impact recruitment, retention and your broader reputation. No matter the approach to internal and external communications, all employers with 100 or more employees will have their organisation-wide gender pay gap put on the public record in 2024. Don't be caught unprepared.

Doesn't WGEA calculate the gender pay gap differently to other organisations?

We're often asked why WGEA has two different gender pay gap figures on its website. One is the national gender pay gap. The other is the WGEA gender pay gap.

The calculation doesn't change. What changes is how people define 'pay' or 'remuneration'. WGEA uses:

The annual WGEA Employer Census data to calculate the WGEA gender pay gap.

The Australian Bureau of Statistics (ABS) Survey of Average Weekly Earnings to calculate the <u>national gender pay gap</u>.

There are many different datasets that can be used to calculate a gender pay gap, but one thing stays the same: it doesn't matter what figures you use, every dataset shows a gender pay gap in favour of men in every industry and occupation.

How do I make sure all my employees feel represented?

WGEA calculates employer gender pay gaps based on women and men. Recognising that gender is a social and cultural concept, since 2020-21 gender equality reporting, WGEA has created the option for employers to report employee gender as non-binary as a voluntary data category. The proportion of employers reporting employee gender as non-binary increased from 8.8% in 2020-21 to 19% in 2022-23. The proportion of non-binary employees in WGEA's dataset similarly increased to 0.2% from less than 0.1% in 2020-21. These are meaningful changes, suggesting awareness of, and attention to, gender diversity in the workplace is increasing. However, the non-binary numbers remain small and reporting is voluntary so it has not been used in this analysis.

Recommendation 7.2 of the Review of the *Workplace Gender Equality Act* recommended changes to enable WGEA to collect data on non-binary employees. WGEA has recently conducted consultations on this recommendation.

Will employer gender pay gaps change dramatically after CEO remuneration is added?

The answer to this will depend on the pay landscape at your workplace.

We know that CEO remuneration is often much larger than other employees and that almost 80% of CEOs in the WGEA dataset are men. For this reason, CEO salaries may have a significant impact on average gender pay gaps.

Visit WGEA's website to learn more.

Want to know more?

The publication of employer gender pay gap is an opportunity for employers to understand your unique challenges for gender equality in the workplace.

This Communications 10 Point Guide is just a starting point. Visit <u>WGEA's website</u> for more resources to support you to prepare to communicate with internal and external audiences, and for <u>results from the businesses that are taking action</u> for workplace gender equality.