



Australian Government



Workplace
Gender Equality
Agency

Progress Report

2019 - 20



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An electronic copy of this report is available at:

<https://www.wgea.gov.au/sites/default/files/documents/wgea-progress-report-2019-20.pdf>

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12 March 2021

Senator The Hon Marise Payne
Minister for Women
Parliament House
Canberra ACT 2600

Dear Minister

I have pleasure in presenting to you this progress report of the Workplace Gender Equality Agency (WGEA, the Agency).

This report has been prepared in accordance with subsection 12(2A) of the *Workplace Gender Equality Act 2012* (the Act), which requires the Agency to submit to you, the Minister, a report on the progress achieved in relation to the gender equality indicators in the relevant two-year period.

In accordance with the Act, the report must be submitted as soon as practicable after the end of the two-year period ending on 31 May 2016 and each later two-year period. The Agency's second progress report under the Act (2017-18 progress report) was submitted to Hon Kelly O'Dwyer MP, as the then Minister for Women, on 28 February 2019.

Approval was granted by you to provide this report by the middle of March 2021. The report covers the period 31 May 2018 to 31 December 2020.

Yours sincerely

A handwritten signature in black ink, appearing to be "Libby Lyons".

Libby Lyons
Director

Foreword from the Director

Since the Workplace Gender Equality Agency (WGEA, the Agency) began collecting data from Australian employers in 2013, gender equality has become a mainstream issue in both the business community and wider society. It is now accepted practice for Australian employers to lodge an annual submission of data and information relating to gender equality in their workplaces.

After seven years of data collection, the Agency has arguably developed the most wide-ranging dataset on workplace gender equality in the world. By providing a detailed picture of the state of gender equality in Australia's private sector, it highlights the areas of growth, identifies leading practice initiatives and pinpoints where progress has slowed or stalled.

Our data shows Australian businesses are making improvements in many areas, especially those where they have a direct influence on the outcome. Over 75% of employers now have policies and strategies on a range of gender equality indicators, including flexible work. There has been a sharp increase in employer action on family and domestic violence. The representation of women in management has increased and, if present trends continue, women will soon comprise over 40% of the managers in our dataset. These are important positive changes.

Unfortunately, our data also identifies some key problems. Foremost amongst them is the 'action gap.' Organisations have policies and strategies in place but little or no action is taken to implement them across their workplaces. For instance, over 45% of employers who conducted a pay gap analysis took no action to close any identified gaps. This was compounded in our latest dataset, in which there was a substantial drop of 6.1 percentage points in employers taking action on pay equity. Clearly, more work needs to be done by employers to close this and other identified action gaps.

Improving the reporting process for employers and reducing the compliance burden remains a key priority for the Agency. Over the last eighteen months, we developed a new data collection and management system, which will be implemented for the opening of this year's reporting period in April 2021. It will simplify and streamline the reporting process, reducing the time and cost of reporting for organisations, as well as improve data quality and analysis.

The new system also has the capacity to expand our dataset to allow for voluntary reporting from the public sector. In recent years, government departments and agencies across all levels of government have expressed interest in reporting their data so they can benchmark themselves against the private sector. The inclusion of

public sector data will create a more comprehensive and accurate representation of gender equality across the Australian economy. For this reason, we have proposed that the Australian Public Service Commission require federal departments and agencies to report to us on an annual basis in line with the private sector.

In our preparation work for both the new system and this report, the Agency has identified areas to improve the quality and consistency of the data we collect. The report details a recommendation to the Minister for Women that the government undertakes a comprehensive review of the *Workplace Gender Equality Act 2012* (the Act) and the *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)* (the Legislative Instrument).

A review, if implemented, must consider the issues outlined in this report and propose amendments to the Act and Legislative Instrument.

A review of the Act and Legislative Instrument will also enhance the quality and utility of the Agency's dataset, expand the scope for further research and may reduce the compliance burden for those Australian employers reporting to the Agency.

As Australians, we must be proud of our world-leading dataset that provides such a detailed picture of the state of gender equality in our workplaces. The value of the Agency's longitudinal dataset is exhibited by the breadth of the statistics and knowledge gained from private sector workplaces. Regular and consistent data collection is the best way to accurately measure trends and inform the development of evidence-based policy. It is crucially important that we sustain the momentum, but we must also take the time to review the Act and Legislative Instrument/s that prescribe data we collect. We must ensure that the data remains fit-for-purpose, comprehensive and relevant in our changing world.

It has been an incredible honour and privilege to be the custodian of this national treasure – the Workplace Gender Equality Agency dataset. As my tenure draws to a close, I am buoyed by the role the data now plays in driving change in Australian workplaces. I am also confident that the work of the Agency will continue to provide comprehensive statistics and hard evidence that propels sustainable change to deliver greater economic security for our nation and its people.



Libby Lyons
Director

Purpose of the report

This report has been prepared in accordance with subsection 12(2A) of the *Workplace Gender Equality Act 2012* (the Act), which requires the Workplace Gender Equality Agency (WGEA, the Agency) to submit to the Minister a report on the progress achieved in relation to the gender equality indicators in the relevant two-year period. The report must be submitted as soon as practicable after the end of the two-year period ending on 31 May 2016 and each subsequent two-year period.

This report is the third progress report submitted by the Agency under the Act. The Agency's previous progress report under the Act (2017-18 Progress Report) was submitted to the Hon Kelly O'Dwyer, as the then Minister for Women, on 28 February 2019.

The 2019-20 report outlines the modest progress Australia's private sector has achieved towards gender equality over the last two reporting periods. The report outlines the activities the Agency has undertaken to support organisations.

This report covers comprehensive workplace data collected from reporting organisations over the last two reporting periods since the 2017-18 Progress Report, that is 2018-19 and 2019-20. The 2017-18 data is also included to provide additional context.

For the 2019-20 reporting period, the Agency supported relevant employers in meeting the reporting requirement during the COVID-19 pandemic and advised an extension of the report submission period. The 2019-20 dataset is the largest dataset since the start of reporting in 2013-14 and contributes to the Agency's comprehensive,

longitudinal dataset on the state of gender equality in Australian workplaces. The report also sets out key insights gleaned from the data and feedback received from employers and other interested stakeholders.

The 2017-18 Progress Report covered five full years of reporting. This aligned with the Agency's approach in that year to present five years of reporting data, to show time-series trends and to provide a comprehensive picture of the state of gender equality in organisations across Australia. Please refer to the 2017-18 Progress Report for detail on the previous five years of reporting data (which are not covered in this report).

The Agency is also required to submit to the Minister an annual report on its operations for the year ending 31 May pursuant to subsection 12(1) of the Act. For information on the Agency and its operations, please refer to the Agency's 2019-20 Annual Report.

Under the Act, relevant employers are required to report to the Agency annually. Relevant employers are non-public sector employers with 100 or more employees. Any reference to "employers" in this report means a relevant employer under the Act for reporting purposes (unless otherwise stated). Therefore, the terms 'employer' and 'relevant employer' are used interchangeably (unless otherwise stated).

Any reference to "organisations" or "reporting organisations" in this report means relevant employers that submit reports to the Agency, sometimes on behalf of other entities within their corporate structure.

Executive summary

The Agency's dataset is a valuable national resource providing a comprehensive, longitudinal picture of the state of gender equality in Australian workplaces.

The Agency collaborates with employers to support their reporting efforts to safeguard the integrity of our dataset. The Agency has always actively engaged with employers to ensure it remains relevant to the issues employers tackle and the changes in the Australian labour market. This engagement was more important than ever over the 2019–20 reporting period. The COVID-19 pandemic saw Australian businesses encounter disruption and challenges like no other in our lifetime. In response to this, the Agency increased its support to employers to meet their reporting requirements and advised a delay to the start and an extension to the report submission period. This resulted in the Agency's largest dataset to date. The 2019–20 dataset is based on 4,943 reports covering over 4.3 million employees across Australia.

This Progress Report covers the Agency's dataset over the last two reporting periods, that is 2018–19 and 2019–20. The 2017–18 data is also included to provide additional context. The data shows that a high proportion of organisations have policies and/or strategies in place to promote gender equality. This includes policies and/or strategies that support employees with family and caring responsibilities and those experiencing family or domestic violence. In addition, an increasing proportion of organisations are developing policies and/or strategies with specific gender pay equity objectives.

At the same time, the results from our dataset also indicate that employers are not necessarily taking steps to implement their gender equality policies and/or strategies and to progress gender equality outcomes. We call this an 'action gap.'

This action gap is highlighted in marginal changes in the gender balance of the workforce, the gender composition of appointments and promotions, the representation of women on boards, and levels of consultation with employees on issues concerning gender equality. Almost half of employers (45.5%) who conducted a pay gap analysis took no action as a result of this analysis, although not all of these organisations identified a gap.

While the gender pay gap has declined over the reporting period, it remains problematic. The gender pay gap for total remuneration of 20.1% in 2019–20 demonstrates that there is still considerable improvement needed to address the pay inequality between women and men in Australia.

The Agency is committed to driving change on gender equality outcomes by utilising its world-leading dataset. During the period covering this report, one of the Agency's key priorities was the design, development and build of our new data collection and management system, which will provide an improved user experience and delivery of enhanced data analysis. As part of this system change, the Agency undertook a review and evaluation of the reporting framework and the business rules, identifying opportunities to streamline and improve the gender equality dataset. At the time of writing, the new system remains on schedule to launch for the eighth year of reporting in April 2021.

The new data collection and management system also provides the enhanced capacity for the Agency to receive reports from public sector organisations. For the 2020–21 reporting period, the Australian Public Service will be able to engage with the new system through voluntary reporting. The inclusion of public sector data will contribute to the Agency's dataset, creating a more representative and accurate picture of the state of gender equality in Australia. The Agency has proposed that the Australian Public Service Commission require federal departments to report to the Agency. The Agency is committed to working directly with public sector agencies at all levels of government to ensure reporting is fit-for-purpose.

The Agency's world-leading dataset informs our work and attracts ongoing interest and recognition from policy makers and researchers in Australia and internationally. Over the period covering this report, the Agency has continued its research partnership with the Bankwest Curtin Economics Centre to produce two reports analysing the Agency's dataset. The most recent of these reports provides a strong and convincing causal link between having more women in leadership positions and improved company performance, productivity and profitability. The Agency partnered again with the Diversity Council of Australia and KPMG on a detailed analysis of the causes of the national gender pay gap. With the Australian Institute for Business and Economics Centre for Gender Equality in the Workplace at the University of Queensland, the Agency released a report analysing the gender equality outcomes of past Employer of Choice for Gender Equality (EOCGE) citation holders. The Agency worked with the Department of Foreign Affairs and Trade (DFAT) on their initiatives to promote gender equality and has provided assistance to the Chilean government in their work to establish a workplace gender reporting scheme based on the Australian model.

The Agency works to further improve the value and utility of our dataset. Having collected and analysed data for seven reporting periods, the Agency recommends that a detailed review of the *Workplace Gender Equality Act 2012* (the Act), the *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1)* (the Legislative Instrument), and other related legislative instruments be conducted. The Agency has identified a number of areas, as summarised below, which must be considered in this review. These aim to improve the data and our understanding of the state of gender equality in Australian workplaces, strengthen compliance mechanisms and education measures, and alleviate unnecessary effort for organisations in reporting to the Agency.

- *The Workplace Gender Equality (Minimum Standards) Instrument 2014* should require employers to have policies and/or strategies in place to support three or more of the gender equality indicators and require employers to take action against the gender equality indicators.
- The Workplace Gender Equality Procurement Principles should be reviewed in order to update the Principles and reconfirm Procurement Connected Policy status. The application of the Principles should be promoted for both non-corporate Commonwealth entities and prescribed corporate Commonwealth entities.
- There should be a review as to how the Workplace Gender Equality Procurement Principles can apply within the Commonwealth Grants Rules and Guidelines to improve transparency on whether grantees are compliant with the Act where appropriate.
- Relevant employers should be required to submit data on the primary work location of employees.
- Relevant employers should be required to report on the relative position of women, men, and individuals who do not identify as female or male in their workplaces.
- Relevant employers with partnership structures should be required to report separately on the number of full-equity, part-equity and non-equity partners, by gender and employment status (i.e. in a gender-disaggregated format).
- Relevant employers should be required to provide the number of hours of engagement (paid for) of part-time employees.

- Relevant employers should be required to state whether they pay superannuation for employees on parental leave, both paid and unpaid.
- Relevant employers should be required to report on the provision and frequency of workplace training on sex-based harassment and discrimination prevention for all employees.
- A reporting organisation's point-in-time date must be no sooner than six months following the last snapshot date. The snapshot date should be included in the reporting organisation's report.
- Relevant employers should be required to report on the number and proportion of employees who have ceased employment within 12 months from returning from parental leave, by gender, employment status and manager/non-manager category.
- Relevant employers should be required to report on the number of employees who have involuntarily exited the organisation, by gender, employment status and manager/non-manager category.
- Professional services firms should be required to include partners when reporting on promotions, resignations and those who cease employment during, or at the end of, a period of parental leave.
- Relevant employers should be required to report on the utilisation of formal flexible working arrangements by gender and management/non-management status.
- The requirement for relevant employers to report on reporting levels to the CEO should be removed.

The Agency has also identified the three data points, as summarised below, as a priority for data collection. For the 2020–21 reporting period, employers are asked to submit this data on a voluntary basis. The Agency's intention is that relevant employers will be notified that these data points will be mandatory from 2022.

- Relevant employers submit data on the age (year of birth) of all employees.
- Relevant employers with partnership structures provide remuneration data of all partners (who are also managers, except for those falling within the excluded manager categories under gender equality indicator 3).
- Relevant employers submit data on non-manager occupational category to Australian and New Zealand Standard Classification of Occupations (ANZSCO) level 4.

About the Agency

Purpose

The Agency is charged with promoting and improving gender equality in Australian workplaces, including through the provision of advice and assistance to all employers (not just those required to report to the Agency) and the assessment and measurement of workplace gender data. It is established by the Act.

Role and functions

The Act outlines the Agency's role and functions as follows:

- advise and assist [all] employers (not just those required to report to the Agency) in promoting and improving gender equality in the workplace
- develop, in consultation with relevant employers and employee organisations, benchmarks in relation to gender equality indicators
- issue guidelines to assist relevant employers to achieve the purposes of the Act
- review compliance with the Act by relevant employers, review public reports lodged by relevant employers and deal with those reports in accordance with the Act
- collect and analyse information provided by relevant employers under the Act to assist the Agency to advise the Minister in relation to legislative instruments made under the Act
- undertake research, educational programs and other programs to promote and improve gender equality in the workplace
- work with employers to maximise the effectiveness of the administration of the Act, including by minimising the regulatory burden on employers
- promote and contribute to the understanding, acceptance and public discussion of gender equality in the workplace
- review the effectiveness of the Act in achieving its purposes
- report to the Minister on such matters in relation to gender equality in the workplace as the Agency thinks fit.

Resourcing

The Agency operates out of leased accommodation in the Sydney CBD. It has an average staffing level of 32 with an annual appropriation of a little over \$5 million including capital funding of approximately \$200,000. In November 2018, the Agency secured funding of \$8 million through the *Women's Economic Security Package* to develop and implement a replacement, fit-for-purpose, online reporting and data management system.

Data governance and quality

The data collected by the Agency is a valuable economic and social asset. The Agency's data collection is an annual census, collecting data from organisations with 100 or more employees covering over 40% of employed people in Australia. The Agency has now completed its seventh year of reporting and the value of its longitudinal gender equality dataset is increasing. As a data collection agency, the WGEA relies on a robust data governance to perform its functions effectively and to continue building the trust in the use of public data amongst the data suppliers and data users.

The Agency's Data Governance Framework provides a structure for the support, development and implementation of all data management practices. The Framework outlines the Agency's approach to collecting, managing, securing, sharing and storing data. The Data Governance Committee (DGC) oversees the people, processes and information technology required to create consistent and appropriate handling of data and understanding of information across the Agency.

The Agency is committed to the highest possible data quality to ensure the appropriate use for its intended purpose under the Act. Our detailed data quality report communicates the processes that were followed to assess the quality of employee census data for each reporting year and is available on the Agency's website.

The new data collection and data management system

The Agency has prioritised the development of a new reporting platform that will simplify the reporting process and user experience.

At the time of writing, the Agency remains on schedule to launch the replacement, fit-for-purpose system for the eighth year of reporting in April 2021.

Design and build

The Agency undertook the following steps:

- Scoping and discovery: Scoping commenced in February 2019. This first stage was a detailed discovery phase to identify the needs and requirements of the Agency's end users and identify areas for improvement. Consultation with a cross section of reporting organisations was included in this discovery work. This cohort included organisations in which corporate structure (standalone, parent/ corporate subsidiaries and Australian subsidiary of a global organisation), size, geographical location, industry, and the format used for the provision of data to the Agency were considered.
- Architecture and design: This phase was guided by the findings during scoping and discovery and identified user needs. The development of the solution architecture blueprint was finalised in July 2019. This importantly established the requirements for the new data collection and data management system and a multi-stage procurement process was undertaken. Following a rigorous assessment process, a vendor was appointed at the end of 2019.
- Review of business rules and data collection: The Agency undertook a review of its business rules and data collection processes. The key outcomes of this review were the identification of changes that could improve data quality and simplify the reporting process for employers. All the underlying guiding

principles and reporting organisation guidelines were collected and analysed to enable better data coverage and assist in the simplification of the process.

The build of the new system has incorporated the documented agreed changes, with impact assessment for reporting processes established and a communication strategy developed for stakeholders.

- Testing and pilot: In September 2020, comprehensive internal testing processes of the system were undertaken. Staff also participated in training in the new system. The Agency piloted the system with several self-selected organisations prior to the launch in April 2021.

Communication and support

The new system requires some changes to the current reporting processes undertaken by reporting organisations. This includes:

- standardising the submission of data into unit level file formatⁱ
- changes to certain data points as either mandatory or voluntary
- the introduction of a workforce management statistics Excel template and
- changes to the Workplace Profile guidance for partnership organisations.

It is anticipated that approximately 38% of reporting organisations will initially experience a significant change to their reporting processes, due to the removal of the option to provide aggregate data. However, the Agency anticipates that after a reporting organisation has transitioned to submission of unit level data, reporting will be easier.

The Agency is assisting all organisations to make these changes by:

- implementing a detailed communications plan to manage employer concerns about the data collection process, procedures, tools and techniques

ⁱ Since reporting began in 2013-14, the Agency has allowed users to upload data in one of two available file formats; unit level or aggregated. Aggregate data files are tables that include an organisations' workforce and remuneration data after reporting organisations have collected data from multiple sources and systems, and then, compiled the data into data summaries. However, aggregate data files have higher rates of error than unit-level files, which requires significant work to correct by the reporting organisations user and Agency staff. The Agency has seen a consistent decline in the use of the aggregate file since reporting began. A unit level file is a single excel table listing each employee, and their associated data, per line (excluding any personally identifiable information). The Agency's system then calculates the remuneration totals on the organisations' behalf. This file format is the most accurate as aggregating the data is consistent and automated by the Agency's reporting system. It also aligns with other government data collection processes, including the ATO Single Touch Payroll files. Beginning in the 2020-21 reporting period, the Agency's new data collection system allows for the submission of the unit level data file format only.

- employing additional personnel to help resource the various support channels available to users (phone, email and live chat)
- providing online and telephone support for organisations to transition from the aggregate file to the unit level file
- implementing clear guidelines on the new data collection processes and procedures
- providing the unit level file in two different formats so that organisations can choose the format that best matches their internal payroll or HR systems.

To assist users with this transition, the Agency is also devoting a significant amount of time and effort to developing educational resources, including:

- over 250 help articles in the new Knowledge Hub
- 10–15 screencast videos on the core components of reporting
- a pre-recorded webinar on ‘Reporting 101’
- live Q&A webinars.

Throughout the whole development process, the Agency ensured that improved user experience was a top priority in the new system. It will enhance the user experience by providing self-service mechanisms to facilitate the resolution of issues and answer questions, automated data calculation, greater choice in the provision of data, and data upload files that link to the Australian Tax Office’s (ATO) Single Touch Payroll (STP) file already in use by many organisations.

The development of the system ensures:

- there is the capacity and flexibility to support voluntary reporting by organisations such as public sector employers
- capability for a significant increase in the collection of data
- an improved and streamlined user experience
- improved delivery of data analysis and insights to both reporting organisations and the general public.

Streamlining data collection

In developing the new system, the Agency has ensured that it remains adaptable, allowing for continuous improvement. The Agency is working with other government agencies to further streamline data collection. This includes aligning the WGEA remuneration reporting categories with the ATO’s STP categories. Relevant employers are required to report annualised average full-time equivalent base salary and total remuneration (fixed amounts and pro-rata amounts) to the Agency. The feedback from employers is that they have to categorise this data differently for reporting to the Agency than for the ATO. Aligning reporting categories will simplify the data submission process, avoid data submission duplication for employers and therefore reduce regulatory burden.

Voluntary reporting

From the 2020–21 reporting period, the Agency anticipates that departments within the Australian Public Service will start to engage the new system through voluntary reporting. Over the period of collecting data from the private sector, the Agency has been asked by a number of local, state and federal government departments about the possibility of reporting, partly with an expressed desire to be benchmarked against private enterprise. The Agency’s current data collection accounts for about 40% of Australian employees. The inclusion of public sector reporting data is important to creating a comprehensive, more representative and more accurate picture of gender equality across the Australian economy. To this end, the Agency has recommended that the Australian Public Service Commission require federal departments to report. In addition, the Agency is committed to working with state and territory governments on their efforts to report to the Agency and how they may engage local government in turn.

Reporting under the Act

The Act requires non-public sector employers with 100 or more employees (relevant employers) to report to the Agency annually against standardised gender equality indicators (GEIs). They do this by completing a Workplace Profile and a Reporting Questionnaire.

The GEIs are:

- **GEI 1** – gender composition of the workforce
- **GEI 2** – gender composition of governing bodies of relevant employers
- **GEI 3** – equal remuneration between women and men
- **GEI 4** – availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities
- **GEI 5** – consultation with employees on issues concerning gender equality in the workplace
- **GEI 6** – any other matters specified by the Minister – sex-based harassment and discrimination.

Timeframe for reporting

The reporting period under the Act refers to the 12 months from 1 April to 31 March, with reports due between 1 April and 31 May each year. Due to the disruption caused by the COVID-19 pandemic, for the 2019–20 reporting period, the Agency advised a delay to the start and an extension to the report submission period. Reporting officially commenced on 1 May and concluded on 31 July 2020.

As in all previous years reporting is available online, using a secure reporting portal. Reporting organisations log into the system using myGovID and submit all information through the portal. The portal also provides an ongoing record of all reports to track data over time.

Confidential and public reports

During the period of this report, information submitted by employers was collated into confidential reports accessible in the secure online portal. The information, excluding personal information and remuneration data (which remains confidential), was collated into public data reports published on the Data Explorer.

The Agency's dataset

The data collected from relevant employers through annual reporting contributes to the Agency's growing dataset. In November 2020, the Agency released the seventh comprehensive set of workplace data. The 2019–20 dataset is the largest Agency dataset to date. It is based on 4,943 reports covering over 4.3 million employees across Australia.

Each year, the Agency releases a national gender equality scorecard which summarises key findings from the Agency's reporting data. The headline data is also published in fact sheets, research reports, media reports and the online Data Explorer.

In 2019–20, the Agency updated its online interactive Data Explorer. It is now more user friendly and accessible. It also features the additional data points that were added in 2019–20. Between 1 July 2019 and 30 June 2020, the Data Explorer attracted unique users and 281,382 page views, an increase of 11,460 page views from the previous year. The Agency's public data is also accessible through data.gov.au.

As part of the Agency's commitment to data sharing, transparency and engagement with our data users, the Agency published its inaugural Data Quality Report in 2019. The report highlights the Agency's data coverage, longitudinal variations and data quality parameters ensuring our data is fit for purpose. In line with the academic literature and other national data agencies and departments, the Agency uses the six data quality dimensions: relevance, accuracy, timeliness, accessibility, interpretability, and coherence. The report communicates the processes that the Agency follows to assess the quality of the dataset.

Promoting workplace gender equality

The Agency undertakes a range of activities in support of and in alignment with its legislative mandate to promote and improve workplace gender equality. These activities align with the focus areas articulated in the Agency's strategic plan – to increase our impact and reach, maximise the potential of the data, and develop the team and advance the technology – and link to the Agency's core teams and functions. The Agency works with employers on compliance reporting; promotes the Agency's world-leading dataset both in Australia and internationally; undertakes research activities and education programs to advance gender equality in the workplace; has programs that recognise leading practice organisations; and engages the public on issues of workplace gender equality.

Promoting Australia's world-leading dataset on gender equality

Australia has a distinct model for reporting and collecting data on workplace gender equality. We appear to be the only country in the world that requires employers to submit their raw data to a central authority (the Agency).¹ This results in a world-leading dataset which informs the work of the Agency, provides employers with a benchmark of their performance and areas for improvement, and attracts ongoing international interest and recognition.

The Agency, therefore, is invested in ensuring the integrity of its data and working closely with employers to support their reporting efforts. This was of specific importance in 2019–20 due to the disruption to Australian workplaces caused by the COVID-19 pandemic. The Agency increased its support to employers in meeting reporting requirements and delayed the start and extended the report submission period. This resulted in the Agency's largest dataset since reporting began in 2013–14. The 2019–20 dataset is based on 4,943 reports covering over 4.3 million employees across Australia.

All public data collected by the Agency is available through the online Data Explorer. The Data Explorer provides several options for visualising the data and acts as a benchmarking tool. These include viewing organisations' performance against the gender equality indicators by industry and by organisation as well as comparing the progress of two industries side-by-side. The Data Explorer includes all data since 2014, allowing the user to assess progress achieved over time.

Organisations are able to download their confidential Competitor Analysis Benchmark report in PDF format. In the 2019–20 reporting period, the reports only contained

the confidential data under GEI 3. Other data is public and visualised through the Data Explorer.

The Agency has also collaborated with Australian government departments on gender equality initiatives. For instance, the Agency worked with the Department of Foreign Affairs and Trade (DFAT) on their initiatives to promote gender equality in the region. In July 2018, the Agency's Director visited Japan and South Korea. In February 2020, the Agency's Director visited Indonesia and the Philippines at the request of DFAT's Investing in Women program.

The Agency has a strong focus on reducing the burden for reporting for organisations. The Agency has formed strong working relationships with other groups promoting gender equality, including the Champions of Change Coalition (formerly known as Male Champions of Change), SAGE (Science Australia Gender Equality), White Ribbon and the Victorian Equal Opportunity Commission, with the aim to minimise reporting duplication. For example, the Champions of Change Coalition uses WGEA data in their annual Impact Report.² Working with SAGE, White Ribbon and the Victorian Equal Opportunity Commission means that we are trying to avoid duplication of data submission by engaging in data sharing protocols where appropriate.

Advancing gender equality outcomes through research and education

The Agency is committed to supporting all employers in the elimination of discrimination, on the basis of gender, in the workplace. To meet reporting requirements under the Act, the Agency develops instructional educational material. To improve gender equality outcomes in the workplace, the Agency develops evidence-based resources which support organisations in developing gender equality policies, strategies and measures.

Over the period of this report, the Agency grew its suite of resources. To support employers in meeting the annual reporting requirements under the Act, the Agency released four information videos on the reporting process. From about April 2019, when released, the videos have been viewed over 5800 times (as at 31 December 2020).

The Agency's educational resources aim to raise awareness about the importance of workplace gender equality and encourage employers to take action. To this end, the Agency maintains its fact sheets and toolkits. For instance, the Agency continues to update its gender pay gap statistics fact sheet twice a year. It is one of the Agency's most downloaded resources. The Agency

also re-developed the gender pay gap calculator. This provides assistance for organisations to calculate and analyse organisation-wide gender pay gaps. In October 2019, the Agency launched a revised Gender Equality Strategy Guide and Gender Equality Diagnostic Tool. These are both very important resources because a strategy provides organisations with the foundation to increase their investment in and accountability for gender equality outcomes and make gender equality integral to an organisation's overall business strategy.³

To highlight the importance of a gender equality strategy for organisations, the Agency created a video featuring two organisations and the strategic approach each took to address and drive gender equality in their organisations. The video is called, *Be Strategic – Addressing Workplace Gender Equality*. The Agency also created and released an educational video summarising the contributors to the gender pay gap and the actions that employers can take to address it.

The Agency's educational resources are informed by evidence of best practice in the workplace and the latest research into drivers of improved gender equality outcomes. Throughout the period of this report, the Agency's research partnerships have furthered our understanding of the measures and initiatives that improve workplace gender equality in Australia. With the Bankwest Curtin Economics Centre, the Agency, over the period, produced two Gender Equity Insight reports, marking them the fourth and fifth reports in the Gender Equity Insight series. The 2019 report provides evidence on the impact of workplace policies on retaining female staff and progressing women into senior positions.⁴ The 2020 report provides a strong and convincing causal link between having more women in leadership positions and improved company performance, productivity and profitability.⁵

In 2019, the Agency partnered with the Diversity Council of Australia and KPMG again on a detailed analysis of causes of the national gender pay gap. This report found that gender discrimination is the most significant contributor to the national gender pay gap, followed by workforce participation and gender segregation.⁶

Over the period of this report, the Agency also produced several Insight papers outlining the research on topics relevant to workplace gender equality and providing additional evidence-based resources for employers and other interested stakeholders. These Insight papers covered gender and negotiation in the workplace,⁷ international gender equality reporting schemes,⁸ gender equitable recruitment and promotion,⁹ women's economic security in retirement,¹⁰ the future of work,¹¹ the gendered impacts of COVID-19,¹² and gender equitable procurement and supply chains.¹³ In conjunction with the release of

the Insight paper on gender equitable procurement and supply chains, the Agency held a webinar on the topic. The webinar featured findings from the academic literature as well as presentations from HESTA and Roberts Pizzarotti on their initiatives to advance gender equity through procurement and supply chains. This webinar had a total of 187 attendees, with the majority of those who responded to a short survey indicating that they would like to attend future webinars hosted by the Agency.

Finally, the Agency is frequently invited to make written submissions in response to reviews of legislation, programs or schemes relevant to workplace gender equality. Due to the Agency's unique interface with the Australian private sector through both compliance reporting and education measures, these submissions highlight findings from the Agency's world-leading dataset and the actions employers are taking to advance gender equality in Australian workplaces. In 2019–20, the Agency made submissions on retirement income, paid parental leave, and the review of the *Equal Opportunity Act 1984* (WA).

Recognising leading practice in Australian workplaces

The Agency's leading practice programs recognise employers who are leaders in workplace gender equality.

One of the ways the Agency currently does this is through the EOCGE citation. This is a voluntary recognition program. Currently, relevant employers who are compliant with the Act can apply for the citation. To receive the citation, organisations must meet a rigorous set of criteria against seven focus areas, including internal workplace policies, practices and strategies and initiatives undertaken to drive change beyond the workplace.

The citation is regularly reviewed to ensure it remains relevant, contemporary and reflects leading practice in workplaces. This was done most recently in 2017 with the revised citation criteria effective from 2019–20. The citation now reflects findings from the latest academic research and consultations with gender equality experts, practitioners, industry groups and employers into the drivers of improved gender equality outcomes.¹⁴ The review prompted strengthened criteria against each of the focus areas, and places greater emphasis on accountability, outcomes, evidence, and internal reporting mechanisms to drive continuous improvement.

In 2019–20, the Agency in collaboration with the Australian Institute for Business and Economics Centre for Gender Equality in the Workplace at the University of Queensland released an analysis of past EOGE citation holders. The analysis describes the "mark of a leading practice" employer is its "holistic, strategic approach to gender equality in the workplace."¹⁵ This analysis goes on to detail that EOGE citation holders progress gender equality in the workplace through the following:

- committed leadership and employee consultation
- detailed practices, policies and strategies, such as those associated with flexible work, carers and parental leave, prevention of sex-based harassment, recruitment, promotion and remuneration
- setting metrics to achieve gender equality outcomes, reflecting on progress made and changing and renewing plans when needed and
- influencing their partners, associates, and supply chains to take action on gender inequality.

In this way, gender equality is integrated into the organisation's overall business strategy.¹⁶

In 2018–19, 141 employers met the EOGE criteria and in 2019–20, the first year under the revised and strengthened citation, 119 employers met the EOGE criteria. The Agency regularly engages and consults with these employers on key gender equality issues and showcases their initiatives through media, case studies, online channels and events.

For instance, the CEOs of two leading employers, MinterEllison and Mercy Health, were featured in a video produced by the Agency. They discussed how their organisations are taking a strategic approach to gender equality.

The Agency also continued its engagement with its 136 Pay Equity Ambassadors. The Pay Equity Ambassador program is a network of chief executive officers and directors committed to promoting the benefits of pay equity and gender equality within their own organisations and publicly. Organisations must meet the following criteria in order for their CEO to become a WGEA Ambassador:

- undertake a pay gap analysis of its workforce in the last two years
- take action on the results of the pay gap analysis
- report pay equity metrics to the executive and board and
- communicate their pay equity initiatives to their employees.

Pay Equity Ambassadors help to create change by:

- playing a leadership role in their business community and to the broader public
- reinforcing their commitment to pay equity within their own organisation
- profiling and promoting their approach to pay equity.

Ambassadors can fulfil their ongoing commitment to the Agency by promoting gender equality through a number of different engagement activities including public statements and advocacy, participation in social media campaigns and public events, creation of case studies and pay equity round-table discussions with other employers in their industry. During the period of this report, the Agency hosted five CEO roundtables and public leadership forums where Ambassadors spoke publicly about the business case for gender equality and outlined the strategies they are implementing to address gender equality and pay equity in their organisations. Our Ambassadors also regularly promote the Agency's data and activities among their networks. Making a public commitment to pay equity and gender equality is an important part of raising public awareness and firming an organisation's commitment to pay equity. Public statements also provide encouragement for others to address pay equity in their own organisation. On Equal Pay Day in 2019 and 2020, our Ambassadors posted supporting items on their social media channels to help educate the public and business community on the need for change.

The Agency also connects employers through events. These provide opportunities for employers to share both the successes and challenges of implementing gender equality initiatives. Through events, employers are also able to showcase their strategic and innovative approaches to advancing gender equality outcomes in the workplace.

Increasing awareness and understanding of gender equality through public engagement

The Agency is committed to increasing awareness and understanding of issues relevant to workplace gender equality. Throughout the period for this report, the Agency has engaged the public and interested stakeholders on such issues through speaking engagements and media outreach. This provides the Agency the opportunity to advance public debate on gender equality issues in the workplace by presenting findings and insights from its world-leading dataset as well as the most recent research on gender equality.

To this end, Agency staff are regularly invited to speak about gender equality and the Agency's data at external

events. In the 2018-19 and 2019-20 reporting periods, Agency representatives participated in 125 speaking engagements, which included keynote addresses, roundtables and panel discussions. The audiences of such events include individuals working in both the private and public sectors, academia as well as students. In addition, the Agency organised a series of national events in November 2019 to launch its 2018-19 dataset. These events attracted over 1000 attendees, highlighted the main findings from annual reporting, and made clear those areas where advances were made and those requiring urgent attention in order to advance gender equality in the workplace. In light of measures to help stop the spread of COVID-19, the Agency launched its 2019-20 dataset online in November 2020. There was strong public interest in the launch event with 1808 registrations and over 1200 unique viewers on the day.

The Agency has engaged with other governments on their efforts to introduce a reporting scheme on gender equality. During the period of this report, the Agency engaged with government officials, delegations and civil society in Argentina, Canada, Chile, China, Indonesia, Japan, Mauritius, New Zealand, the Philippines, South Korea, Taiwan, the United Kingdom and Vietnam. In 2018-19, the Agency provided assistance to the Chilean government who were in the process of establishing a workplace gender reporting scheme based on the Australian model.

At the invitation of the Mauritian government, the Agency's Director visited Mauritius in August 2019 to facilitate three gender equality seminars. The Agency's Director was invited to deliver presentations at the United Nations 63rd Commission on the Status of Women in New York in March 2019. The Agency had also planned to participate at the 64th Commission on the Status of Women as well as launch its Gender Equity Insights report in New York but cancelled these plans with the onset of the pandemic. In October 2019, the Director participated in the 2019 APEC Women's Economic Forum in Chile and the Vital Voices conference in Argentina.

The Agency is committed to increasing public engagement on workplace gender equality issues. The Agency has focused on its media presence and making its resources easily accessible to the public. The number of media mentions for the Agency increased from 927 media mentions in 2018-19 to 3,822 mentions in 2019-20, an increase of 168% over the period covering this report.

During 2018-19, the Agency developed a new website which was launched in January 2019. The new website proved to be more responsive and user-friendly, and the Agency has seen an increase in visitor numbers to the website, Data Explorer and educational resources. The Agency has also expanded its digital presence through an increase in followers on all of its social media channels.

Progress achieved in relation to the Gender Equality Indicators (GEIs)

Progress measured against the GEIs has been solid. However, over the last two reporting periods progress has slowed.

Progress against minimum standards

The *Workplace Gender Equality (Minimum Standards) Instrument 2014* (Minimum Standards Legislative Instrument) sets out minimum standards which apply to relevant employers with 500 or more employees. These employers must have a policy and/or strategy in place to support one or more of the gender equality indicators outlined in the instrument with the aim to achieve the objective for each gender equality indicator. If an employer that is required to meet a minimum standard does not do so, it has a further two reporting periods to improve against the standard before it may be deemed non-compliant.

Gender equality indicator	Objective
GEI 1 Gender composition of the workforce	Supporting gender equality in the workplace
GEI 3 Equal remuneration between women and men	Supporting equal remuneration between women and men
GEI 4 Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities	Supporting flexible working arrangements for employees with caring responsibilities
GEI 6 Sex-based harassment and discrimination	Prevention of sex-based harassment and discrimination in the workplace

For 2019-20, all organisations with 500 or more employees satisfy the minimum standard. This is in large part driven by the very high percentage of reporting organisations with a policy and/or strategy relating to sex-based harassment and discrimination prevention (99.6%). We believe that this is predominantly due to employers taking steps to minimise the risk of liability under the *Sex Discrimination Act 1984* (Cth) (SD Act) and/or any other applicable federal, state and territory anti-discrimination legislation. For example, under the SD Act, employers have a duty to take all reasonable steps to prevent sexual harassment in the workplace. While the SD Act does not define “reasonable steps,” the Australian Human Rights Commission (AHRC) recommends all employers “adopt a number of essential preventative measures,” including “developing and implementing a sexual harassment policy.”¹⁷ This is also reiterated in the guidelines set out in the AHRC’s Code of Practice for employers.¹⁸ The organisations who do not have a policy that aims to achieve the prevention of sex-based harassment and discrimination do have one or more policies and/or strategies in other areas.

When analysing the performance of organisations against specified areas of the minimum standards the data shows that larger organisations tend to have more policies and or strategies in place when compared to smaller organisations (Table 1). For example only 64.9 percent of organisations with up to 499 employees have a policy and/or strategy to support flexible working for employees with caring responsibilities compared to 76.7% of organisations with 500 or more employees.

Table 1: Performance against minimum standards – percentage with a policy and/or strategy in place

Policies and Strategies	Reporting Period 2018 – 19		Reporting Period 2019 – 20	
	Up to 499 employees	500 or more employees	Up to 499 employees	500 or more employees
Gender composition of the workforce	89.2	95.4	89.4	95.5
Equal remuneration between women and men	57.9	73.1	59.0	74.2
Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities	62.2	75.5	64.9	76.7
Sex-based harassment and discrimination	97.7	99.4	98.1	99.6

Progress summary

All organisations have a policy or strategy in place which supports one of the gender equality indicators, thus meeting the minimum standards.

The Agency recommends a review of the minimum standards to drive improvement in other gender equality indicators.

GEI1 – progress towards a gender-balanced workforce

The objective of the first indicator is to improve the gender balance in the workforce. Under this indicator organisations provide data on the gender composition of the workforce, the promotions and appointments by gender as well as the availability of policies and/or strategies that support gender equality in the workplace. The progress towards a gender-balanced workforce has been slow despite the high proportion of organisations with policies and/or strategies promoting gender equality. Gender segregation across occupations remains entrenched.

Women in leadership

The representation of women across all manager categories has improved little between 2017-18 and 2019-20. Over the period, the representation of women across all manager categories increased 0.8 percentage points (pp) (from 39.1% in 2017-18 to 39.9% in 2019-20). Overall, the representation of women declines steadily with progression to the higher levels of seniority. Over the period, there was only a 1.2pp increase in the number of female CEOs (up to 18.3% in 2019-20).

Table 2: Proportion of women in manager categories – including CEO

Occupation	Proportion of women Reporting Period 2017 – 18	Proportion of women Reporting Period 2018 – 19	Proportion of women Reporting Period 2019 – 20
CEO/Head of Business in Australia	17.1	17.1	18.3
Key management personnel	30.5	31.5	32.5
Other executives/general managers	31.3	32.2	33.4
Senior managers	35.2	36.0	36.5
Other managers	42.6	42.6	43.0

Gender equality in non-manager roles

There is only slight progress towards improving the gender balance in traditionally male and/or female dominated occupations.

Table 3: Proportion of women in non-manager occupational categories

Occupation	Proportion of women Reporting Period 2017 - 18	Proportion of women Reporting Period 2018 - 19	Proportion of women Reporting Period 2019 - 20
Clerical and administrative	74.1	73.7	73.8
Community and personal service	71.7	71.1	72.0
Sales	59.9	59.7	58.7
Professionals	53.3	53.3	53.5
Labourers	32.5	33.1	32.8
Technicians and trade	14.6	13.7	14.0
Machinery operators and drivers	12.6	13.1	13.2

Gender equality policies and strategies

The proportion of organisations with policies and/or strategies in place to support gender equality is relatively high. However, data from the last two reporting periods demonstrates that progress in achieving gender equality outcomes has been slow. This indicates that, while employers recognise the importance of addressing gender equality in the workplace through a formal policy or strategy, they have not necessarily created action plans to support such policies or strategies to progress positive outcomes for gender equality.

In addition, the data shows that only one third of organisations have key performance indicators for managers relating to gender equality, a little over half of organisations consult with employees on matters related to gender equality and the important area of succession planning has only improved slightly.

Table 4: Percentage of reporting organisations with policies and/or strategies to support gender equality

Policy or strategy	Proportion of organisations Reporting Period 2017-18	Proportion of organisations Reporting Period 2018 - 19	Proportion of organisations Reporting Period 2019 - 20
Recruitment	82.7	83.9	85.0
Training and development	76.9	78.8	80.7
Performance management processes	75.5	78.2	80.0
Gender equality policy and/or strategy overall	74.3	75.4	76.5
Promotions	69.3	70.6	72.0
Talent identification/identification of high potentials	65.6	67.5	69.0
Succession planning	62.7	65.1	66.5
Retention	62.7	64.6	66.2
Employee consultation	51.3	53.1	53.9
Key performance indicators for managers relating to gender equality	31.4	32.2	33.5

Employee movement – appointments and promotions

Employee movements are captured by manager and non-manager categories and by employment status.

The proportion of women appointed to manager roles remained stable with 44.7% of appointments going to women in 2019-20 (Table 5). The percentage of managerial appointments (44.7%) and promotions overall (47.3%) that went to women is higher than their current representation in manager roles (39.9%). However, the proportion of women who resigned also remained stable. While this indicates that women are progressing into management roles within organisations, progress in achieving gender balance in manager roles overall remains slow.

In 2019-20, 52.1% of appointments in the non-manager category went to women. However, over the same period, more women than men resigned in the non-manager category. This data indicates that occupational segregation has not changed over the last reporting periods.

Overall, the data provides insight into promotions and appointments across manager and non-manager categories; however, it does not show further detail on the occupational categories. To drive improvements in this area, we recommend that data be collected by occupational category.

Table 5: Gender composition - Percentage of women for appointments, promotions and resignations, all employment statuses, 2017-18 to 2019-20

Employee Movements	Roles	Reporting Period 2017 - 18	Reporting Period 2018 - 19	Reporting Period 2019 - 20
Appointments	Manager	43.3	43.8	44.7
Appointments	Non-manager	51.7	51.6	52.1
Promotions	Manager	46.0	46.0	47.3
Promotions	Non-manager	48.8	49.8	49.4
Resignations	Manager	44.1	43.6	43.6
Resignations	Non-manager	53.6	53.5	54.3

Progress summary

The objective of GEI1 is to drive better gender balance across the workforce, across management and non-management levels. Over the last reporting periods, organisations, on average, achieved some progress towards better gender balance, particularly in leadership.

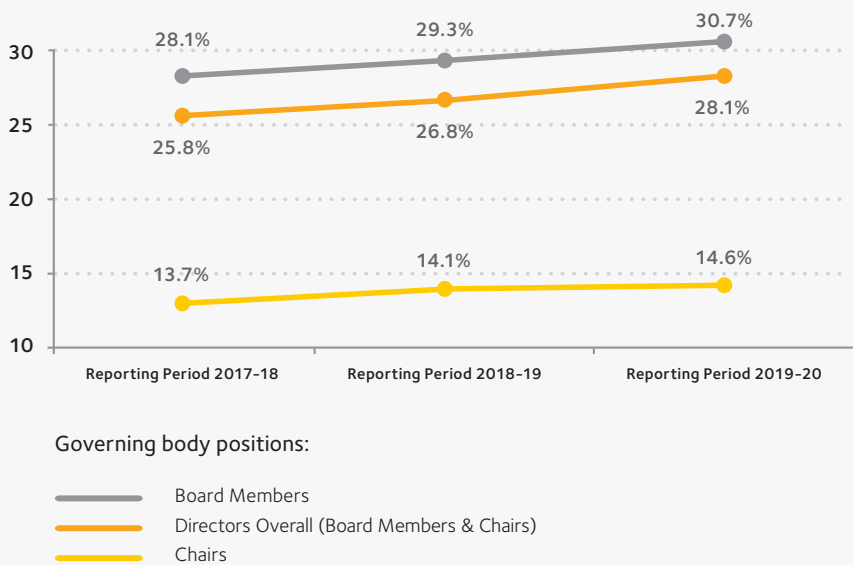
While the proportion of women in leadership has increased slightly, gender segregation across occupations remains slow to change. At the same time, the data only shows marginal changes in the data related to gender composition of appointments and promotions. Organisations appear to be slow in implementing and actioning policies and strategies that help break entrenched stereotypes, such as succession planning or key performance indicators for managers relating to gender equality.

GEI2 – gender composition of governing bodies

This indicator measures the gender composition of governing bodies or boards and seeks information on whether organisations have policies and/or strategies in place to improve the gender balance of their governing body including the use of targets.

Women continue to be underrepresented on boards, and our dataset shows that a high proportion of boards in Australia have no female board members at all. There have been minor gains in the overall representation of women on governing bodies/boards from 2017-18 to 2019-20 (Chart 1). There was a 2.6pp increase in female board members between 2017-18 and 2019-20. Over the same period, the percentage of female Chairs increased by 0.9pp (to 14.6% in 2019-20).

Chart 1: Women's representation on governing bodies/boards



The Agency also captures the percentage of organisations with a target in place to increase the representation of women on their boards or governing bodies. The percentage of organisations with a target in place has remained unchanged over the reporting period. In both 2017-18 and 2019-20, 8.2% of organisations reported having a target in place after decreasing slightly to 7.8% in 2018-19.

- 2017-18 – 8.2%
- 2018-19 – 7.8%
- 2019-20 – 8.2%

Progress summary

The progress to increase the representation of women on boards is very slow. The data does not show any significant progress. The proportion of reporting organisations with a target to increase female representation on boards has remained steady at 8% for the past three years.

GEI3 – progress towards equal remuneration between women and men

This indicator measures equal remuneration between women and men across organisations, industries and occupations and aims to promote equal remuneration between women and men. This indicator captures salary information based on occupational category and employment status, that is full-time, part-time, casual or on a contract. In addition, the Agency captures data relating to policies and/or strategies aimed at identifying and addressing gender pay gaps. This includes information on whether organisations have undertaken a gender pay gap analysis as well as any actions taken as a result of this analysis.

The Agency's data shows a persistent gender pay gap in favour of men. However the trend data shows that on average the gender pay gap is slowly closing.

Gender pay gaps

The gender pay gap measures the difference between the average earnings of women and men, expressed as a percentage of men's earnings. It is the difference between the pay of women and men, on average, across organisations, industries and the workforce as a whole.

The gender pay gap is different to equal pay. Equal pay is where women and men are paid the same for performing the same role or different work of equal or comparable value. In Australia, this is a legal requirement.

The Agency calculates both base salary and total remuneration gender pay gaps. The base salary gender pay gap is calculated on the full-time salaries of women and men. The total remuneration gender pay gap includes superannuation, bonuses and other additional payments. The gender pay gaps referred to in this report are based on full-time total remuneration data of employees only, excluding CEOs.

Gender pay gaps across the Agency's dataset are an indicator of women's overall position in the workforce and do not compare like roles.

The Agency's dataset includes gender pay gaps by industry and by manager category and non-manager occupation. The gender pay gap has remained stable or declined incrementally in most industries and across most manager and occupational categories between 2017-18 and 2019-20. There has been a decline of one to two percentage points (pp) in most industries, and manager and occupational categories. The improvement is consistent with increased representation of women in manager roles, which typically attract higher levels of remuneration.

The causes of the gender pay gap are complex and include women's underrepresentation in senior leadership, gender segregation across industries and occupations, women's disproportionate share of unpaid caring and domestic work, lack of workplace flexibility, women spending a greater time out of the workforce as well as discrimination and bias.

The gender pay gap has declined by 1.2pp over the period (Table 6). The gender pay gap of 20.1% in 2019-20 demonstrates that there is still considerable improvement required to address the pay inequality between women and men in Australia. The gender pay gap for 2019-20 is equivalent to an average annual difference of \$25,534.¹⁹ This difference in average earnings contributes to a pronounced difference between women's and men's average superannuation balances at retirement (age 60-64). Women retire with superannuation balances that are, on average, 21.6% below that of men.²⁰

Table 6 also shows that the gender pay gap is highly influenced by industry. The highest gender pay gaps exist in Financial and Insurance Services, Construction, Rental, Hiring and Real Estate Services, Professional, Scientific and Technical Services, and Agriculture, Forestry and Fishing industries. Public Administration and Safety, Wholesale Trade and Education and Training have the lowest gender pay gaps. Between 2017-18 and 2019-20, the total remuneration gender pay gap has decreased in 16 out of 19 industries. The following are exceptions for the periods 2017-18 to 2019-20 and the gender pay gaps increased in these industries.

- Administrative & Support services: +1.9pp
- Arts & Recreation: +0.8pp
- Public administration and safety: +2.8pp

Table 6: Gender pay gaps for total full-time remuneration by ANZSIC division,ⁱⁱ as a percentage of men's earnings

Industry	Reporting Period 2017 - 18	Reporting Period 2018 - 19	Reporting Period 2019 - 20
Financial and Insurance Services	30.3	29.3	27.5
Construction	29.4	26.0	26.1
Rental, Hiring and Real Estate Services	26.3	26.9	25.2
Professional, Scientific and Technical Services	23.7	22.8	22.0
Agriculture, Forestry and Fishing	23.7	21.3	22.0
Information Media and Telecommunications	21.8	20.6	20.8
Arts and Recreation Services	19.0	20.1	19.8
Transport, Postal and Warehousing	19.5	18.9	18.7
Other Services	19.9	17.3	17.5
Health Care and Social Assistance	16.1	15.9	15.7
Administrative and Support Services	13.7	15.8	15.6
Electricity, Gas, Water and Waste Services	16.1	16.6	14.5
Retail Trade	15.5	15.9	13.8
Mining	14.0	13.8	13.6
Manufacturing	13.8	13.1	12.0
Accommodation and Food Services	12.4	11.8	11.5
Education and Training	9.7	8.8	9.2
Wholesale Trade	8.5	8.5	8.4
Public Administration and Safety	4.9	6.0	7.7
Overall	21.3	20.8	20.1

Table 7 shows that the full-time total remuneration gender pay gap is in favour of men across all occupational levels of the workforce. There continues to be a gender pay gap in every occupation, every manager category and every non-manager category. However, the gender pay gap has declined over the two-year period in every management category. Between 2017-18 and 2019-20, the total remuneration gender pay gap has declined in 6 out of 8 non-manager categories.

ⁱⁱ The ANZSIC system is the national framework for classifying business entities based on their primary business activity for use in the compilation and analysis of industry statistics in Australia and New Zealand. Expressed as a four digit code, the ANZSIC framework is used to classify and benchmark data against the relevant industry, subdivision, group, and class. The ANZSIC system is also used by other government agencies such as the ABS.

Table 7: Gender pay gaps for total remuneration, by occupation, as a percentage of men's earnings

Occupation	Reporting Period 2017 - 18	Reporting Period 2018 - 19	Reporting Period 2019 - 20
Technicians and trade	26.4	26.0	25.4
Key management personnel	24.3	24.4	23.4
Sales	23.7	25.1	22.4
Other executives/general managers	22.0	22.3	20.5
Labourers	18.3	19.1	20.0
Other managers	21.6	21.3	19.7
Professionals	19.0	18.4	18.3
Senior managers	18.8	18.2	16.7
Other	21.1	16.6	16.6
Machinery operators and drivers	14.3	14.2	11.9
Community and personal service	9.5	11.6	9.6
Clerical and administrative	8.3	8.2	7.7

The downward trend in the Agency's gender pay gap data is consistent with data from other sources. The national gender pay gap, calculated by the Agency using Australian Bureau of Statistics (ABS) data, was at its highest in November 2014 at 18.5% before declining to 13.4% in November 2020, its lowest point in the past two decades.²¹ The dataⁱⁱⁱ used by the Agency for calculating the national gender pay gap is the ABS Full-Time Adult Average Weekly Ordinary Time Earnings from the Australian Weekly Earnings survey.²²

The difference between male and female earnings remains a key area for improvement to ensure that women can achieve the same level of economic security as men.

Employer action on gender equality

An increasing proportion of organisations are developing policies and/or strategies with specific gender pay equity objectives. In 2019-20, 43.1% of remuneration policies and/or strategies included specific gender equality objectives (Table 8).

At the same time, the results from our dataset also indicate that employers are not taking steps to implement their gender equality policies and/or strategies and to progress gender equality outcomes. We call this an 'action gap.'

There was a modest increase in the number of organisations analysing their payroll data for gender pay gaps from 41.6% in 2017-18 to 46.4% in 2019-20. Contrary to the previous reporting period, there has been a decrease in the percentage of organisations taking action as a result of their gender pay gap analysis, down from 58.5% in 2017-18 to 54.5% in 2019-20, a decrease of 4.0pp. A possible explanation for this decrease is that employers who took action in 2017-18 did not find it necessary to take action again in 2019-20. There has been a decline in action in most industries, some of these are significant declines. However, there are exceptions. Between 2017-18 and 2019-20, the proportion of organisations in the Electricity, gas, water and waste services industry which took action as a result of their pay gap analysis increased by 15.4pp, while the proportion of organisations in the Public administration and safety industry which took action increased by 7.5pp.

ⁱⁱⁱ Traditionally, the data used by the Agency for calculating the national gender pay gap is the ABS Full-Time Adult Average Weekly Ordinary Time Earnings Trend series from the Australian Weekly Earnings survey. However, given the impact of COVID-19 on the labour market and that it is currently not known whether this impact will be short, medium or long-term, the ABS have suspended the use of trend data (ABS, 2020, Methods changes during the COVID-19 period, June 2020, cat. no. 1359.0, viewed August 2020, <https://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/1359.0Main%20Features15Jun%202020?opendocument&tabname=Summary&prodno=1359.0&issue=Jun%202020&num=&view=>). Instead, seasonally adjusted data has been used to calculate average weekly earnings during the COVID-19 period.

An action gap remains as 45.5% of employers who conducted a pay gap analysis took no action, although not all of these organisations identified a gap. In 2019–20, it was more common for organisations to take action in the Electricity, Gas, Water and Waste Services, Financial and Insurance Services, Information Media and Telecommunications, Mining, and Professional, Scientific and Technical services industries than in the Retail Trade, Health Care and Social Assistance, and Public Administration and Safety industries.

Chart 2: Proportion of organisations by industry taking action after a pay gap analysis in 2019–20

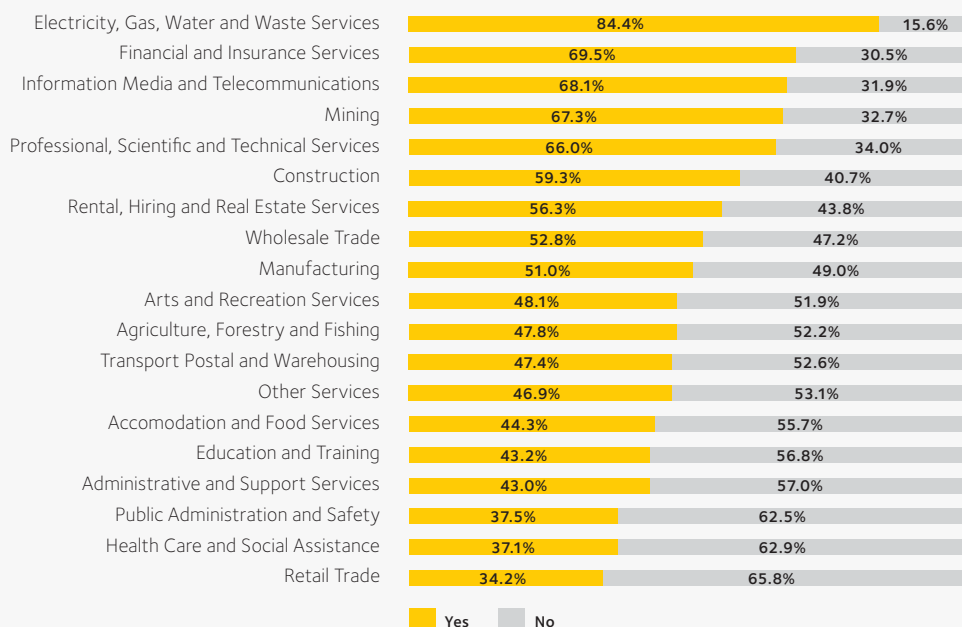


Table 8: Proportion of organisations taking action to address gender pay gaps

Industry	Reporting Period 2017 - 18	Reporting Period 2018 - 19	Reporting Period 2019 - 20
Remuneration policy and/or strategy in place	61.6	62.7	63.8
Policy and/or strategy contains specific gender equality objectives	40.0	40.9	43.1
Conducted a gender pay gap analysis	41.6	44.7	46.4
Taken action as a result of gender pay gap analysis	58.5	60.5	54.5

Progress summary

The average gender pay gap across industries and occupations is on a downward trajectory. This is likely due to the slight increases in the proportion of women in higher paying, leadership roles and the actions taken by some organisations following their pay gap analysis. However, the decrease in the proportion of action taken by organisations as a result of a gender pay gap analysis is concerning.

GEI4 – availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities

The data collected in relation to GEI4 shows the availability and types of flexible working arrangements offered. This indicator allows the Agency to report on specific flexible working arrangements that are in place by gender and level of seniority. Information relating to the availability and use of paid parental leave and support for employees experiencing family or domestic violence is also included in this information. There has been significant progress in this area, particularly in the proportion of organisations with policies and/or strategies to support employees experiencing family or domestic violence.

Flexible working

The percentage of organisations with a flexible working policy and/or strategy in place has steadily increased. Since 2017-18, it has increased by 5.2pp. Since the first year of full reporting in 2013-14, it has increased by 18.4pp.

- In 2017-18 – 70.7%
- In 2018-19 – 72.7%
- In 2019-20 – 75.9%

Table 9 shows the percentage of organisations that offer access to flexible working arrangements to some or all employee groups. It shows that employees' access to different formal flexible working arrangements remained stable. Access to telecommuting increased significantly by 11.3pp between 2017-18 and 2019-20. This may have been of particular use to some employers and employees in order to continue business operations during the COVID-19 pandemic.

Table 9: Proportion of organisations offering different types of formal flexible working arrangements

Types of flexible work offered	Reporting Period 2017 - 18	Reporting Period 2018 - 19	Reporting Period 2019 - 20
Carer's leave	92.1	92.9	93.1
Part-time work	84.1	84.4	85.3
Unpaid leave	81.7	83.5	85.2
Flexible hours of work	62.5	64.5	66.9
Time-in-lieu	54.5	54.7	55.4
Job Sharing	44.5	45.0	45.6
Telecommuting	33.0	34.6	44.3
Purchased leave	33.2	34.4	35.6
Compressed working week	30.8	31.4	33.4

Parental leave and support for caring

There has been modest progress in the proportion of employers offering parental leave and providing support for caring.

The proportion of organisations with a policy and/or strategy in place to support employees with family or caring responsibilities has increased by 4.3pp between 2017-18 and 2019-20.

The percentage of organisations offering paid parental leave for primary carers saw a slight increase between 2017-18 and 2019-20. In 2019-20, 52.4% of organisations offered paid parental leave for primary carers, an increase of 4.6pp. The proportion of organisations offering paid leave for secondary carers also increased by 4.6pp. In 2019-20, 46.4% of organisations offered paid leave for secondary carers. The average number of weeks of leave offered to primary carers remained reasonably consistent across the period and in 2019-20 sits at 10.9 weeks. The average number of weeks of leave offered to secondary carers increased by 0.4 week since 2017-18 to 2 weeks.

Table 10: Initiatives to support employees with family or caring responsibilities

Initiatives	Reporting Period 2017 - 18	Reporting Period 2018 - 19	Reporting Period 2019 - 20
Policy and/or strategy to support employees with family or caring responsibilities	64.3%	66.5%	68.6%
Offer paid parental leave for primary carers	47.8%	49.4%	52.4%
Average weeks offered primary carers	10.3 weeks	10.6 weeks	10.9 weeks
Offer paid parental leave for secondary carers	41.8%	43.8%	46.4%

Additionally, in 2019-20, 7.1% of women ceased employment whilst on parental leave compared to 1.3% of men.

The proportion of women (out of all women on parental leave) who ceased employment whilst on parental leave:

- in 2017-18 – 7.9%
- in 2018-19 – 8.0%
- in 2019-20 – 7.1%

The proportion of men (out of all men on parental leave) who ceased employment whilst on parental leave:

- in 2017-18 – 1.3%
- in 2018-19 – 1.5%
- in 2019-20 – 1.3%

The data in Tables 11A and 11B show the proportion of women and men accessing paid parental leave. We have witnessed some progress in men taking parental leave, particularly at manager level. Of all managerial employees who accessed paid primary carer's leave, female managers represented 85.6% in 2019-20 and male managers represented 14.4%.

Table 11A: Uptake of paid primary parental leave, expressed as a percentage

Gender	Roles	Reporting Period 2017 - 18	Reporting Period 2018 - 19	Reporting Period 2019 - 20
Women	Manager	90.3	87.8	85.6
	Non-Manager	95.5	94.4	93.3
	All	94.8	93.5	92.3
Men	Manager	9.7	12.2	14.4
	Non-Manager	4.5	5.6	6.7
	All	5.2	6.5	7.7

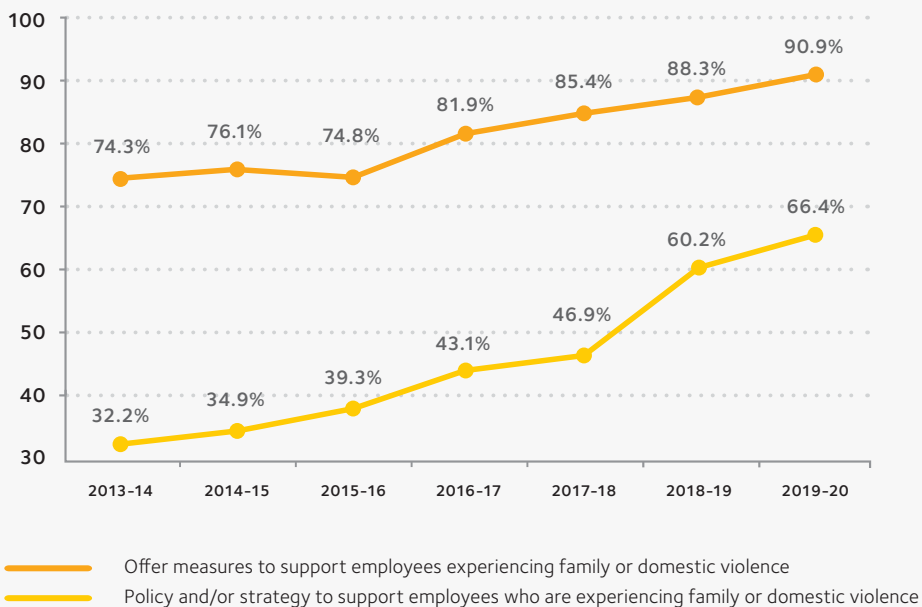
Table 11B: Uptake of paid secondary parental leave, expressed as a percentage

Gender	Roles	Reporting Period 2017 - 18	Reporting Period 2018 - 19	Reporting Period 2019 - 20
Women	Manager	5.3	4.6	4.4
	Non-Manager	6.2	3.7	3.2
	All	6.1	3.9	3.5
Men	Manager	94.7	95.4	95.6
	Non-Manager	93.8	96.3	96.8
	All	93.9	96.1	96.5

Support for employees experiencing family or domestic violence

In 2019-20, about two-thirds of organisations (66.4%) reported having a formal policy and/or strategy to support employees experiencing family or domestic violence, an increase of 19.5pp since 2017-18. Over 90% (90.9%) of organisations offer some measures to support employees experiencing family or domestic violence. These measures include referral to support services, access to paid and unpaid leave, a domestic violence clause in an enterprise or workplace agreement, and protection from adverse action or discrimination.

Chart 3: Support for employees experiencing family or domestic violence



Progress summary

There has been significant progress across this indicator. More organisations have introduced paid parental leave and other policies and/or strategies to support employees with family and caring responsibilities. There has also been an increase in the proportion of men taking primary carers leave, particularly among managers. Managers act as role models when they utilise carers leave and flexible work arrangements, and this may have a positive impact on the division of caring responsibilities for all employees. More organisations have introduced formal policies and/or strategies and offer other measures to support employees experiencing family or domestic violence. Given the uncertainty imposed by the COVID-19 pandemic, progress against this indicator continues to be of great importance. The formalisation of policies, strategies, and measures for flexible work, caring responsibilities and employees experiencing family or domestic violence can support employers and employees in building resilience in their work and family lives.

GEI5 – progress towards employee consultation

The proportion of employers consulting with employees on issues concerning gender equality in the workplace remains static. Approximately half of all organisations consult with employees on the issue of workplace gender equality.

The percentage of organisations that consult with employees on issues concerning gender equality in the workplace has increased by 2.6pp between 2017-18 and 2019-20:

- in 2017-18 – 51.3%
- in 2018-19 – 53.1%
- in 2019-20 – 53.9%

The Agency has addressed this lack of progress by creating a guide to employee consultation and promoting consultation.

GEI6 – progress towards the prevention of sex-based harassment and discrimination

Employers are required to report on policies and/or strategies relating to sex-based harassment and discrimination prevention in the workplace through the Reporting Questionnaire. The percentage of organisations with a formal policy and/or strategy on sex-based harassment and discrimination prevention has remained very high over the period:

- in 2017-18 – 97.9%
- in 2018-19 – 98.2%
- in 2019-20 – 98.6%

The *Sex Discrimination Act 1984* (Cth), as well as applicable state-based and territory-based anti-discrimination and equal opportunity legislation, sets out what constitutes unlawful sex discrimination. These contribute to a high level of awareness about the risks of sex-based harassment and discrimination. We believe then that most organisations have pre-existing policies relating to sex-based harassment and discrimination which accounts for the high compliance rate.

Organisations are required to indicate whether training on sex-based harassment and discrimination prevention is provided to all managers. The percentage of organisations that provided such training has remained relatively high but static over the period:

- in 2017-18 – 86.2%
- in 2018-19 – 87.1%
- in 2019-20 – 88.5%

Recommendation

The Act was enacted nearly nine years ago, and the Agency has collected and analysed data for seven years. Much has been learnt over this period and, to ensure that the ongoing collection of data is contemporary and relevant in an ever-changing labour market and economy, the following recommendation is proposed.

Recommendation

The Agency recommends that a detailed review of the Act, the *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2013 (No. 1) (the Legislative Instrument)* and other related legislative instruments be conducted which also considers the opportunities for improvement made in previous 2014-16 and 2017-18 Progress Reports as summarised below.

The Agency has identified opportunities to improve its data collection, reduce inconsistencies in the data currently collected, and better understand the state of gender equality in Australian workplaces. Many of these opportunities for improvement were identified in the previous 2014-16 and 2017-18 Progress Reports and remain relevant. In addition, the review process for the design and build of the new data collection and management system, together with feedback from various stakeholders, identified that the collection of additional data would deepen analysis of the state of workplace gender equality in Australia. The Agency does not expect that collecting these additional data points would see a substantial increase in the regulatory burden on employers as our advice is that much of this data is already held by employers.

The collection of this data would support the Agency's obligations and functions under the Act. The Act outlines our functions as follows:²³

- advise and assist employers in promoting and improving gender equality in the workplace
- develop, in consultation with relevant employers and employee organisations, benchmarks in relation to gender equality indicators
- issue guidelines to assist relevant employers to achieve the purposes of the Act
- review compliance with the Act by relevant employers, review public reports lodged by relevant employers and deal with those reports in accordance with the Act

- collect and analyse information provided by relevant employers under the Act to assist the Agency to advise the Minister in relation to legislative instruments made under the Act
- undertake research, educational programs and other programs for the purpose of promoting and improving gender equality in the workplace
- work with employers to maximise the effectiveness of the administration of the Act, including by minimising the regulatory burden on employers
- promote and contribute to understanding and acceptance, and public discussion, of gender equality in the workplace
- review the effectiveness of the Act in achieving its purposes
- report to the Minister on such matters in relation to gender equality in the workplace as the Agency thinks fit.

For the 2020-21 reporting period, employers are asked to submit the additional data points, which are listed in the section 'Indicators to include in the recommended review currently being collected voluntarily,' on a **voluntary basis**. In addition, the points, listed in the section 'Other important indicators to consider in the review,' should be considered in the recommended review of the Act and/or the Legislative Instrument. The additional data points in these two sections should be **required** as mandatory.

Strengthening the Minimum Standards

The Minimum Standards Legislative Instrument should require employers to have policies and/or strategies in place to support three or more of the gender equality indicators and require employers to take action against the gender equality indicators.

The Minimum Standards Legislative Instrument sets out minimum standards which apply to relevant employers with 500 or more employees. These employers must have a policy and/or strategy in place to support **one or more** of the gender equality indicators outlined in the instrument with the aim of achieving the objective for the particular gender equality indicator.

Most organisations have a policy or strategy in place for the prevention of sex-based harassment and discrimination. Although this means that organisations are meeting the requirement set out in the minimum standards, we think that the high rate of organisations with a policy or strategy on sex-based harassment and discrimination is most likely in response to federal and/or

any other applicable state-based or territory-based anti-discrimination legislation. This renders the minimum standards of little value in driving improvement in gender equality outcomes.

In addition, Agency data indicates that an 'action gap' exists, meaning that employers are not taking steps to implement their gender equality policies and/or strategies. For instance, the 2019-20 dataset shows that there has been a decrease in the percentage of organisations taking action as a result of their gender pay gap analysis, and this decline is seen in most industries. Considering the persistence of the gender pay gap, taking action to reverse this trend is imperative.

Improving sanctions for non-compliant organisations

The Workplace Gender Equality Procurement Principles (Principles) should be reviewed in order to update the Principles and reconfirm Procurement Connected Policy status. The application of the Principles should be promoted for both non-corporate Commonwealth entities and prescribed corporate Commonwealth entities.

The Act notes that non-compliant employers "may not be eligible to compete for contracts under the Commonwealth procurement framework and may not be eligible for Commonwealth grants or other financial assistance."²⁴

Each year in the annual report to the Minister, the Agency "names" organisations that have been assessed as being non-compliant with the Act. These are referred to as "non-compliant organisations." The Agency also maintains a current list of non-compliant organisations on its website.

Organisations that are defined as relevant employers must demonstrate compliance with the Act if submitting tenders for certain Commonwealth Government contracts. This is outlined in the Principles and supported by the Commonwealth Contracting Suite.

The Agency recognised that the COVID-19 pandemic caused significant disruption to Australian businesses and their operations. A Policy Note amending the application of the Principles for the 2019-20 reporting period was approved. This provided that, where a relevant employer was unable to submit a public report for the 2019-20 reporting period due to circumstances attributable to the COVID-19 pandemic, the Agency, at its discretion under section 19D of the Act, was able to provide the employer with a letter confirming that they would not be named as being non-compliant for the 2019-20 reporting period. The employer can submit this 'COVID-19' letter in lieu of a letter of compliance for the purposes of tendering for, and entering into, Australian Government procurement contracts covered by the Principles.

Over the last three years, the Agency has written to Commonwealth Departmental Secretaries advising them of the list of non-compliant organisations. The letter requested that departments contact any non-compliant organisations with whom they had a contract and advise them of their legal obligations under the Act. This prompted the compliance of a number of organisations.

Although the Principles provide a solid framework for procurement officers and suppliers, we believe they can be further improved. Currently, if the value of a supplier's contract falls below a related procurement threshold, the Principles do not apply. The current thresholds are:

- For non-corporate Commonwealth entities, other than for procurements of construction services, the procurement threshold is \$80,000.
- For prescribed corporate Commonwealth entities, other than for procurements of construction services, the procurement threshold is \$400,000.
- For procurements of construction services by relevant entities, the procurement threshold is \$7.5 million.

There are known examples of a non-compliant organisation providing goods or services to the Australian Government because the contracted amount was below the related procurement threshold or the entity is not subject to the Commonwealth Procurement Rules. A more detailed review of the application of the Principles would be of value, including specifying different thresholds to that of the Commonwealth Procurement Rules and exploring ways in which all Commonwealth entities could align their procurement processes to include compliance with the Act.

A review of the Principles would be conducted by the responsible Commonwealth entity in line with Resource Management Guide (RMG) No. 415 Commonwealth Grants and Procurement Connected Policies. In this case, a review would be conducted by the Department of Prime Minister and Cabinet as the administering Department for the Act.

Improving transparency of Commonwealth grantees

There should be a review as to how the Principles can apply within the Commonwealth Grants Rules and Guidelines to improve transparency on whether grantees are compliant with the Act where appropriate.

Grants or other financial assistance are generally administered by individual departments. They determine their own criteria. This includes whether recipients are required to be compliant with federal legislation, in accordance with applicable Commonwealth Grants Rules and Guidelines.

It is very difficult to access a centralised, common list of all funding and grant schemes available within Government. As such, it is difficult to ascertain the schemes for which non-compliant employers are ineligible.

Strengthen mandatory gender equality reporting data

The Agency has identified a number of areas, summarised below, which must be considered in the recommended review that aim to improve our understanding of the state of gender equality in Australian workplaces, strengthen compliance mechanisms and education measures, and alleviate unnecessary effort for organisations in reporting to the Agency. The additional indicators will reduce inconsistencies in the data currently collected. Most of these data points identified were highlighted in the previous 2014-16 and 2017-18 Progress Reports and remain relevant.

Indicators to include in the recommended review currently being collected voluntarily

For the 2020-21 reporting period, employers are asked to submit the following additional data points, on a **voluntary basis**.

Collecting data on workplace location of employees

Employers should be required to submit data on the primary work location of employees. This data will be collected as part of the existing Workplace Profile and only appear in the public report if organisations select to do so.

Currently, the Agency collects information on the location of an employers' head office and not the location of an employee's primary workplace. Collecting employees' primary workplace postcode data will fill a crucial gap in understanding gender equality in the regional, rural and metropolitan areas. This data could be further analysed at a state and territory level. It will allow the Agency to make observations and analysis on how a location may affect issues related to workforce composition, economic security and gender gaps in leadership and pay.

This data will help provide the evidence necessary to assess location as a driver of gender gaps and to understand the link between workplace location, workforce segregation, pay gaps, and economic security. This proposed analysis will contribute to policy formulation on issues related to promoting gender equality in Australia, particularly in regional and rural areas.

This data will also facilitate the development of targeted educational resources that help organisations target and engage employees in different locations and create policies and practices that support a gender diverse workforce and economic security for all Australians.

In addition, this data may provide valuable information about the number of women and men who primarily worked from home during the COVID-19 pandemic and whether this general trend continues.

Collecting data on non-binary genders

Relevant employers should be required to report on the relative position of women, men, and individuals who do not identify as female or male in their workplaces.

The Agency is frequently asked about the absence of data on employees not identifying as female or male. Regular inquiries are also made from employers requesting an option to report such employees. As a consequence, employers have either omitted employees who do not identify as female or male from their report or have allocated them a gender. These options do not reflect best practice for diversity and inclusion, nor the Australian Government Guidelines on the Recognition of Sex and Gender from 2013, as directed by the Attorney-General's Department.²⁵ Other government agencies, including the ATO and ABS, also include an option for gender other than female or male as part of their data collection.

The Act and Legislative Instrument require employers to provide reports based on the relative positions of **women and men** in their workplaces. This means that the Agency cannot include a mandatory additional category for information on gender other than female or male. It can only be asked on a voluntary basis.

For the 2020-21 reporting period, employers will be able to provide, on a voluntary basis, data on employees who identify as a gender other than female or male. This additional option will be identified as "gender 'X'" and is a new data point for people who identify as non-binary. This is "an umbrella term for any number of gender identities that sit within, outside of, across or between the spectrum of the male and female binary. A non-binary person might identify as gender fluid, trans masculine, trans feminine, agender, bigender etc."²⁶ This data will be collected as part of their report submission to the Compliance Reporting program. The data will NOT be published in an organisation's public report.

Collecting disaggregated data on composition and employment status for partners in firms with partnership structures

Partnerships should be required to report separately on the number of full-equity, part-equity and non-equity

partners, by gender and employment status (i.e. in a gender-disaggregated format).

Collecting employee data by full-equity, part-equity and non-equity partnerships will enhance our understanding of gender equality, particularly career progression across different partnership levels. This data will show how the gender composition of leadership structures may change over time as well as the progress of women through the leadership pipeline within partnership structures.

The low representation of women as full- and part-equity partners in partnership structures is an ongoing gender equality issue. Previously, professional services firms reported on the composition and the employment status of equity and non-equity partners as a combined group. As such, the data did not provide the proportion of women in full-equity, part-equity and non-equity partnerships.

For the 2020-21 reporting period, the Agency will ask relevant employers to provide disaggregated gender composition data on full-equity, part-equity and non-equity partners by gender and management category as well as by employment status, on a voluntary basis. While we will ask organisations to provide this data in gender disaggregated formats, they will be able to provide non-disaggregated data if they choose. Where disaggregated data is provided, the Agency will be able to show the proportion of women and men who are full-equity and part-equity partners, and their management category and employment status.

Collecting data on the number of hours part-time employees are engaged

Relevant employers should be required to provide the number of hours of engagement (paid for) of part-time employees.

For the 2020-21 reporting period, the Agency will ask employers to submit data on the number of hours of engagement of part-time employees on a voluntary basis. This data will be collected as part of the new Workplace Profile, enabling the system to annualise part-time salaries, and will only appear in the public report if organisations select to do so.

Collecting data on the number of hours worked for part-time employees will ease the reporting burden for employers and provide the Agency with a better understanding of the part-time workforce.

Relevant employers are currently required to provide annualised full-time equivalent salary for part-time employees to the Agency to enable comparison to full-time employee salaries. A part-time employee is typically an employee who “works, on average, less than 38 hours per week” and “usually works regular hours each week.”²⁷ Research suggests that part-time employees receive

lower wage increases and often miss out on promotions.²⁸ Agency data shows that only 6.4% of all managers are employed on a part-time basis.

The collection of the number of paid hours worked by each part-time employee would provide a more nuanced definition of part-time employment because it would provide accurate data on the proportion of full-time hours that part-time employees work.

Overall, the data will improve our understanding of gender equality in part-time employment and inform the development of targeted educational resources for employers and employees. These resources will help bridge the gender gap in promotions and pay and ensure that part-time employees are part of the leadership pipeline. Data could also be linked to the proposed ‘year of birth’ data to understand patterns of part-time work by age and gender.

The data on the quantum of part-time hours an employee worked would mean the Agency calculates the annualised remuneration rather than the employer. This would provide more accurate data and ease the burden of reporting for the reporting organisation, as they would no longer have to annualise the data themselves.

Collecting data on whether organisations pay superannuation when an employee is on parental leave

Relevant employers should be required to state whether they pay superannuation for employees on parental leave, both paid and unpaid.

For the 2020-21 reporting period, the Agency will ask employers to state whether they pay superannuation for employees on parental leave, both paid and unpaid in the Reporting Questionnaire, on a voluntary basis. To date, reporting has not required employers to provide this data.

This data will provide the Agency with information on whether organisations are contributing to closing the superannuation gap. It will also build evidence and statistics on the extent of best practise employers by industry, size and other such categories.

Women have lower lifetime earnings than men and are more likely to work part-time or in more precarious forms of employment. They are also more likely to take time out of the workforce for unpaid caring responsibilities. These factors affect women’s ability to accrue retirement savings. While the superannuation gap is narrowing, women in Australia still retire with less superannuation savings than men. Although compulsory superannuation has provided women with greater access to superannuation, the current framework does not fully account for women’s experiences in the workplace.²⁹

The current government-funded paid parental leave scheme does not attract the Superannuation Guarantee. However, an employer may elect to make superannuation contributions voluntarily during an employee's parental leave.³⁰ Based on the Agency's experiences over the last seven years of working with employers, we know that there are organisations that do pay superannuation contributions for employees on parental leave.

For employers, this data will further help organisations to attract and retain talent and drive competition in their industry. This leads to better gender equality outcomes. The data will also support the development of targeted resources by the Agency and employers that enable all parents to continue to grow their superannuation while on parental leave.

Collect data on sex-based harassment and discrimination prevention training for all employees

Relevant employers should be required to report on the provision and frequency of workplace training on sex-based harassment and discrimination prevention for all employees.

Currently, relevant employers are only required to report on the provision and frequency of sex-based harassment and discrimination prevention training for managers.

For the 2020-21 reporting period, the Agency will be asking employers to submit data on the provision and frequency of workplace training on sex-based harassment and discrimination prevention for all employees, on a voluntary basis.

This data will allow us to assess training frequency for all employees of reporting organisations. It will also allow us to build further evidence and information to create educational resources for employers.

In asking for this information, the Agency believes it will encourage a whole-of-organisation approach to addressing and reducing the incidence of sexual harassment. Research suggests that a whole-of-organisation approach to training is the most effective way to increase understanding and awareness, change organisational culture and improve outcomes.³¹

Other important indicators to consider in the review

The following identified problems cannot be actioned by the Agency unless there is a review and possible amendment to the Act and/or Legislative Instrument/s. It is important that these issues be included in the recommended review.

Information on the date employers select their employee data

A reporting organisation's point-in-time date must be no sooner than six months following the last snapshot date. The snapshot date should be included in the reporting organisation's report.

Reporting organisations are required to report on the gender composition of their workforce, at a point in time in the 12-month period between 1 April and 31 March. Technically, this means a reporting organisation can submit exactly the same report two years in a row by virtue of the self-selected date. For example, if an employer chooses 31 March 2019 as their point-in-time date for the 2018-19 reporting period, and then chooses 1 April 2019 for the 2019-20 reporting period (one day later), it is very likely that no changes will have occurred during that 24-hour period. Therefore, the same report can be submitted for two consecutive years.

Closing this loophole would help to ensure that organisations provide data that is truly representative of changes in their workforce over the reporting year.

Expanding information on employees returning to work after parental leave

Relevant employers should be required to report on the number and proportion of employees who have ceased employment within 12 months from returning from parental leave, by gender, employment status and manager/non-manager category.

Relevant employers are required to report on the proportion of employees who have ceased employment during or at the end of the parental leave period. However, evidence suggests that the first 12 months after returning from parental leave to the workplace is a high-risk period for women disengaging from work.³²

Access to data on the number of employees leaving the workplace in the first 12 months after returning from parental leave will indicate the extent and frequency of this occurrence across organisations and industries. Furthermore, this data can provide important evidence for the development of educational material that can help employers to retain valuable employees.

This data would enhance our understanding of this aspect of women's workforce participation.

Reporting on employees who involuntarily exit an organisation

Relevant employers should be required to report on the number of employees who have involuntarily exited the organisation, by gender, employment status and manager/non-manager category.

There is a requirement for employers to report on the number and proportion of employees who have resigned, by gender, employment status and manager/non-manager category. Resignations are voluntary exits by employees. However, the Agency does not capture information on redundancies or other involuntary exits (other than for those not returning from parental leave as discussed above).

Involuntary exits or redundancies can be another form of discrimination against women. Anecdotal evidence and grey literature suggest that part-time employees and women on parental leave are being disproportionately impacted by redundancies. Collecting data on involuntary exits will establish the data evidence needed to create appropriate educational material.

This data would also improve our understanding on whether some employee groups, e.g. part-timers, are disproportionately impacted by redundancies.

Collecting data on partners – promotions, resignations, parental leave

Professional services firms should be required to include partners when reporting on promotions, resignations and those who cease employment during, or at the end of, a period of parental leave.

To the extent that partners in partnership structures are not employees, they are not captured by the provisions of the Legislative Instrument related to promotions, resignations or parental leave. Currently, the Legislative Instrument requires employers to report on, relevantly:

- the number and proportion of employees awarded promotions by gender, employment status and manager/non-manager category;³³
- the number and proportion of employees who have resigned by gender, employment status and manager/non-manager category;³⁴ and
- the proportion of employees who took a period of parental leave who ceased employment during, or at the end of that period (including where the parental leave is taken continuously with any other leave type), by gender and manager/non-manager category.³⁵

The data on the number of partners who were promoted or resigned and the proportion of partners who ceased employment during, or at the end of, parental leave will enable us to further assess career trajectories in senior

leadership and partnership structures. Given the low representation of women in partnership positions, the additional data would be valuable evidence to inform educational material that supports organisations to improve their gender balance in partnership structures.

Reporting on utilisation of formal flexible working arrangements

Relevant employers should be required to report on the utilisation of formal flexible working arrangements by gender and management/non-management status.

Employers are required to report on the existence of a policy and/or strategy on flexible working arrangements, and whether the employment conditions and practices are available in their workplace. However, that the policy/strategy exists may not mean that employees have formal flexible working arrangements in place.

Research suggests that the culture of a workplace can be a barrier to employees accessing flexible work practices even when they are available.³⁶ Furthermore, men are more likely to have their applications for flexible working arrangements rejected.³⁷

The ongoing nature of the COVID-19 pandemic has necessitated the normalisation of flexible working arrangements, particularly remote work. With data on the utilisation of formal flexible working arrangements, the Agency can monitor if this trend continues and can better target its resources on flexible work to address barriers experienced in certain sectors or types of employment.

Removing the collection of data on reporting levels to the CEO

The requirement for relevant employers to report on reporting levels to the CEO should be removed.

Employers are required to report disaggregated data by gender on managers, including distance from the CEO or equivalent (referred to by the Agency as “reporting levels to the CEO”).

The current feedback from employers is that this requirement is difficult to meet as the method of describing employee positions does not align with standard reporting structures and processes. Many employers spend considerable time interpreting this requirement and applying it. Consequently, the Agency has taken a cautious approach to the accuracy and usefulness of this data.

Based on feedback, removing this requirement would save considerable time and ease the burden of reporting for relevant employers.

Expanding the mandatory gender equality dataset for 2022

For the 2020–21 reporting period, employers are asked to submit the following additional data points, on a voluntary basis. The Agency’s intention is that relevant employers will be notified that these data points will be mandatory from 2022.

This additional data will strengthen the Agency’s position in meeting its obligations under the Act, namely, to promote and improve gender equality in Australian workplaces. The Agency’s comprehensive review of the gender equality indicators and reporting framework identified three data points as a priority for data collection; the age of employees, remuneration for partners who are managers, and occupational categories. These additional data points will improve the analysis of factors contributing to the gender pay gap, enhance our understanding of gender equality, and enable the development of targeted educational resources to assist employers on improving gender equality outcomes in Australian workplaces.

Collecting data on employee age

For the 2020–21 reporting period, the Agency will ask employers to submit data on the age (year of birth) of all employees on a voluntary basis. This data will be collected as part of the existing Workplace Profile and only appear in the public report if organisations select to do so.

Collecting data on employee age (year of birth) will enhance our understanding of the career trajectories of women and men and how age may impact the gender pay gap and, consequently, economic security for individuals.

ABS data confirms that the average gender pay gap between women and men working full-time generally increases with age.³⁸ However, this data is only collected by the ABS biennially and does not provide a breakdown of age by industry or occupation. The collection of data on employee age will significantly improve the inconsistencies in the Agency’s data collection.

By collecting data on employees’ year of birth, the Agency can assess the age ranges at which women and men enter or leave the workforce. The data will also help to better understand how women and men progress through the leadership pipeline. The data would contribute to policy formulation on issues related to unpaid work, parental leave, and superannuation. It would also allow employers to better target education, training and upskilling opportunities for individuals entering or returning to the workforce.

Collecting data on age would enable the Agency to assess how age and the gender pay gap intersect within and across organisations and industries, as well as provide a comparison of salaries within a specific age group. This will enable the Agency to determine whether gender pay gaps are lower in different age groups and across different occupational groups and industries. In addition, collecting data on age would allow the Agency to assess contributing factors to the superannuation gap, including the types of employment (full-time, part-time or casual) of certain age groups within occupations and industries.

Based on the Agency’s experience of working with relevant employers, we understand that the overwhelming majority of reporting organisations already collect the year of birth of employees in their human resources systems. As a consequence, the burden of reporting will not be greatly increased with this additional requirement.

Collecting remuneration data for partners in partnership structures who are managers

For the 2020–21 reporting period, the Agency will ask relevant employers with partnership structures to provide remuneration data of all partners (who are also managers) in the Workplace Profile, on a voluntary basis (except for those falling within the excluded manager categories under GEI3). Firms will be advised to include these partners by management category in the Workplace Profile.

To date, relevant employers are required to report on the remuneration of managers and non-managers (except for certain managers). Persons in partnerships are only included in the Workplace Profile if they are non-equity partners and also employees.

The Agency will ask organisations to provide remuneration data for all equity and non-equity partners. A partner in the traditional sense is not considered an employee of a business but a part owner,³⁹ sharing profits and risks and participating in the management of the business. The Agency’s view is that its use of the terms ‘equity partner’ and ‘part-equity partner’ both align with these characteristics. While a non-equity partner does not share in the firm’s ownership, non-equity partnership can be a step toward becoming an equity partner.⁴⁰ Therefore, collecting this data will provide a better understanding of the state of gender equality in the leadership pipeline across partnership structures.

The gender pay gap in Australia at senior leadership levels is an ongoing gender equality issue. Partners of firms are often highly paid⁴¹ and more often male.⁴² This contributes to the gender pay gap in sectors and organisations with partnership structures. By collecting this remuneration data, the Agency will have greater understanding of the gender pay gap in partnership structures, and at different partnership levels.

This gender pay gap data will assist us in advising organisations on the process of identifying and tackling gender pay gaps, particularly in senior leadership. The data will also inform the development of further targeted educational material to improve the proportion of women in senior leadership.

Collecting data on occupations and jobs at ANZSCO level 4

For the 2020–21 reporting period, the Agency will ask employers to submit data on non-manager occupational category to Australian and New Zealand Standard Classification of Occupations (ANZSCO) level 4, on a voluntary basis. This data will be collected as part of the existing Workplace Profile and will only appear in the public report if organisations select to do so.

Collecting more detailed data on occupational categories will significantly enhance our understanding of the gender equality challenges that employees in non-management occupations face and enable us to monitor subsequent progress.

The collection of more detailed data on occupational categories was a recommendation made in 2015 by the Non-Manager Working Group. This group was established by then Minister for Employment and Minister for Women (Senator the Hon. Michaelia Cash) to explore options for the collection of more detailed data for non-manager employees in line with the data collected for managers. It has long been argued that reporting on occupational categories should expand from ANZSCO level 1 to ANZSCO level 4 for non-manager occupational categories in order to improve workplace gender equality data and evidence.

For example, the Agency currently collects data on those employed as nurses under the major group 'Community and Personal Service Workers' (ANZSCO level 1). Expanding to ANZSCO level 4 of this non-manager category means the Agency would specifically collect data on 'Nurses' (and other job roles in this group). Utilising these more specific and descriptive job classifications will make it easier for employers to match their job roles to the correct occupational category and will provide more accurate and valuable benchmarking data for organisations.

More detailed data on occupations and job classifications will enable analysis of the impact of labour market segregation as it contributes to the gender pay gap. Gender segregation in the Australian labour market has persisted over the past two decades. It occurs at industry, occupation and role levels.⁴³ The collection of this more detailed data will provide a better understanding of the appropriate policy mechanisms that might be initiated to address gender segregation in the workplace.

In addition, this measure aligns the Agency's data with data collected by the ABS. The ABS typically classify occupations according to ANZSCO to a four- or six-digit level in their statistical releases.

Based on the Agency's experience of working with relevant employers over the last seven years, we know that employers have more detailed occupational job categories for their employees. In addition, stakeholder consultation in 2019 confirmed that some organisations are keen to provide this data so it can be used to benchmark and implement work to improve gender equality outcomes across non-manager categories in their organisations.

Expanding the scope of the dataset to the Australian Public Service

For the 2020–21 reporting period, the Australian Public Service will also be able to report to the Agency on a **voluntary basis**. The Agency’s new data collection and management system provides enhanced capacity for the Agency to receive reports from public sector organisations.

The Australian Public Service Commission **should require** federal government agencies to report to the Agency. Placing a requirement on all federal agencies to report to the Agency would assist in creating a more comprehensive, representative and accurate picture of gender equality across the Australian economy.

Under the Act, the Agency collects data from non-public sector employers with 100 or more employees. While this gives considerable insight into about approximately 40%

of Australian employees, it excludes small business and the public sector.

In recent years, many local, state and federal government departments and agencies have expressed a desire to report their data on a voluntary basis. The often-cited reason for doing so is to be able to benchmark themselves against private enterprise.

The Australian Public Service will be able to report to **the Agency on a voluntary basis in the 2020–21 reporting period**.

The Agency is working directly with public sector agencies to ensure reporting is fit-for-purpose.

The future of the Australian workplace and gender equality

The Agency’s dataset is a valuable national resource providing a detailed picture of the state of gender equality in Australian workplaces. The Agency collaborates with employers to meet annual reporting requirements and helps facilitate them to take action on gender inequality. The results of our dataset show where gender equality outcomes have improved as well as areas requiring more effort.

The Agency holds the view that measuring workplace gender equality is important to drive change and promote equality among all Australians. The Agency’s work with employers makes clear the impact of taking proactive and gender sensitive measures. Reflecting on how this has contributed to promoting inclusive, accountable and transparent workplace cultures, the Agency observes the importance of its compliance and education measures remaining relevant to changes in the Australian labour market and current issues facing Australian employers.

Over the period of this report, the Agency has been reviewing the latest research on issues relevant to the future of Australian workplaces and gender equality. These include the impact of COVID-19, the role of technology and non-standard work arrangements such as the ‘gig’ economy, the importance of cultural diversity, and changing gender norms.

The gendered impacts of COVID-19

The Agency has been reviewing the data on the gendered impacts of COVID-19. While it is not yet clear whether the broader impact of the pandemic on the Australian labour market will be short, medium or long-term, the data shows that impacts on women and men are dissimilar at different stages of the pandemic. In addition, at the onset of the pandemic, the Agency observed there was a marked expansion of workplace flexibility, particularly working from home, and as time has progressed there is increased interest in sustaining such policies and practices post pandemic. While the Agency sees workplace flexibility as an important enabler of gender equality, the Agency also notes the importance of equal uptake of flexibility by both women and men in enabling such change. Research finds that women have expressed a stronger preference for continuing to work from home.⁴⁴ This development has the potential to marginalise women from more informal workplace processes and decision making, with the possibility of negative consequences for the progress earned by women in the workplace.

The national gender pay gap is currently 13.4%. This figure is derived from seasonally adjusted data on Full-Time Adult Average Weekly Ordinary Time Earnings from the ABS for

November 2020.^{45,iv} Similar to the Agency's data, the ABS Average Weekly Earnings data shows that the national gender pay gap has remained stubborn. The national gender pay gap can be impacted by a range of factors including changes in the economy. The recent economic downturn brought on by COVID-19 has affected both women and men. While analyses of past recessions show that men's jobs or male-dominated sectors of employment are oftentimes the ones most affected,⁴⁶ the economic impact of the early COVID-19 period has affected industries with more gender-balanced workforce compositions.⁴⁷ Data shows that Australia's gender pay gap increased by two percentage points during Australia's last economic downturn, the period of the Great Financial Crisis (GFC). It took ten years for the gender pay gap to return to pre-GFC levels, stalling progress made on gender equality in Australia. Vigilance is important as we seek to understand the impact of COVID-19 on the gender pay gap through continued collection and monitoring of data.

Future of the workplace

COVID-19 will likely have a continued effect on patterns of employment. In a post-pandemic environment, experts at KPMG predict growth in the 'gig' economy due to the accelerated use of automation as a "survival response through a challenging economic period" and a decrease in permanent positions.⁴⁸ Prior to COVID-19, more than half of the Australian labour force was employed in less stable forms of employment, and this had a particular effect on young workers.⁴⁹ While this may include those in part-time, temporary, casual, irregular and self-employed positions, it also includes those in gig arrangements and digital platform work,⁵⁰ which are generally outside the traditional frameworks for regulation.⁵¹ Recent research finds that the gig economy is gender segregated in the types of jobs that women and men perform and that women participating in the gig economy work less hours and report less income security when compared to men.⁵² Given the continued gender disparities that exist in relation to income and participation in the labour market, the Agency is of the view that it will be important to consider how these may also function in non-standard forms of employment.

Reporting on cultural diversity

Inclusion at work contributes to innovation, effectiveness and employee satisfaction and well-being.⁵³ However, research finds that managing cultural diversity in the Australian workplace is both little understood⁵⁴ and lacks a more integrated approach.⁵⁵ In addition, organisational leadership does not reflect the diversity of the Australian population.⁵⁶ While the Agency does not collect data on ethnicity, the Agency is often questioned as to why this information is not collected. Previously, the Australian Human Rights Commission has noted that official reporting and collection of data on cultural diversity would be an important mechanism for promoting cultural diversity within Australian organisations.⁵⁷ Collecting data on ethnicity would be valuable for assessing the intersection between gender and ethnicity. The Agency is unaware of any other existing dataset that would provide this information on employees in Australian workplaces.

Changing gender norms and parental leave

In order to promote a model of shared care, a whole of government approach to removing the primary and secondary carer labels used by government agencies and in parental leave policies is required. The continued use of the primary and secondary carer labels does not promote a model of shared care and entrenches women as the primary carer. This presents a barrier to gender equality because it does not promote nor provide Australian families with choice in managing paid and unpaid responsibilities.

Leading practice from the private sector highlights the benefits of parental leave that is gender neutral. This means that a distinction is not drawn between primary and secondary carers. Language and policies on parental leave that are gender neutral are more reflective of changing societies and family structures.⁵⁸ Gender neutral parental leave promotes a model of shared care⁵⁹ and better aligns with the needs of dual income earning couples.⁶⁰

At the same time, the private sector is influenced by the language and policies of government. For the 2020-21 reporting period, the Agency will specifically ask employers if they provide parental leave without the distinction of primary and secondary carer labels. This will provide evidence as to the number of employers that are forgoing the language of primary and secondary carer and opting for gender neutral parental leave policies.

^{iv}Traditionally, the Agency calculated the national gender pay gap using trend series data on Full-Time Adult Average Weekly Ordinary Time Earnings from the ABS Average Weekly Earnings survey. Given the impact of COVID-19 on the labour market and that it is currently not known whether this impact will be short, medium or long-term, the ABS has suspended the use of trend data (ABS, 2020, Methods changes during the COVID-19 period, June 2020, cat. no. 1359.0, viewed August 2020, <https://www.abs.gov.au/ausstats/abs@nsf/Latestproducts/1359.0Main%20Features15Jun%20>). Instead, seasonally adjusted data has been used to calculate average weekly earnings during the COVID-19 period. In light of these changes to the data released by the ABS during the COVID-19 period, the Agency will not compare the pay gap statistics during this period to previous years. The national gender pay gap during the early COVID-19 period has also been influenced by a number of factors: (1) Lower paying industries and jobs were over-represented in the number of job losses and reduced hours of work. This means they are not included in the full-time workforce, explaining overall increases in the average weekly earnings for both men and women. (2) Jobkeeper payments, which came into effect from 1 May 2020, are included in the ABS Average Weekly Earnings data. This has increased the average weekly earnings of some workers.

Conclusion

The *Workplace Gender Equality Act 2012* continues to be a driving force for positive change in Australia's workplaces. The Agency's world-leading dataset measures change in both outcomes and attitudes to workplace gender equality. Whilst the data continues to show steady progress across a number of indicators, the past two years of data also show a concerning action gap, that is employers complete a pay gap analysis but then fail to take any action to address any identified gaps. The Agency will continue to respond to data trends by developing targeted communications and resources to support employers to take meaningful action.

Over the period of this report, a key priority for the Agency was the design, development and build of our new data collection and management system. This system promises to further advance the Agency's dataset by providing the capability for increased data

collection and both an improved user experience and delivery of enhanced data analysis.

As part of the preparatory work for the new data collection and management system, the Agency undertook a review of the business rules for data collection points and processes with the aim of automating and simplifying the reporting process for employers. This review process identified that the collection of additional data points would deepen analysis and understanding of the state of workplace gender equality in Australia. To this end, the Agency recommends a detailed review of the Act and Legislative Instrument. If implemented, the recommendation made in this report would further improve the value and utility of the Agency's dataset, expand the scope for further research and alleviate unnecessary effort for organisations in reporting to the Agency.

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