

## OUR WATCH

# Submission in Response to the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023 (Cth)

March 2023

### **About Our Watch**

Our Watch is a national leader in the primary prevention of violence against women and their children in Australia. We are an independent, not for profit organisation established by the Commonwealth and Victorian Governments in 2013. All Australian governments, including the Commonwealth Government, are members of Our Watch.

Our vision is an Australia where women and their children live free from all forms of violence. We aim to drive nation-wide change in the culture, behaviours, attitudes and social structures that drive violence against women and their children.

Guided by our ground-breaking national framework, *Change the story*, we work at all levels of our society to address the deeply entrenched, underlying drivers of violence against women, especially those stemming from gender inequality. We work with governments practitioners and the community, at all levels of Australian society, to address these drivers of violence in all settings where people live, learn, work and socialise.

Our Watch welcomes the opportunity to provide further advice or assistance to the Committee in relation to the issues outlined in this submission. Please contact Director Government Relations, Policy and Evidence, Amanda Alford at

### **About this submission**

Our Watch welcomes the opportunity to provide the Senate Finance and Public Administration Committee this short submission in relation to the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023 (Cth) (the Bill).

As the Committee is aware, the Bill amends the *Workplace Gender Equality Act 2012* (Cth) (WGEA Act) in a number of respects, including too:

- require the Workplace Gender Equality Agency (WGEA) to publish gender pay gap information of relevant employers for each reporting period
- rename the current 'minimum standards' as 'gender equality standards'
- require relevant employers to provide executive summary and industry benchmark reports to all members of their governing body
- include 'sexual harassment', 'harassment on the ground of sex' or 'discrimination' as gender equality indicators
- change the title of the 'Director' of the WGEA to 'Chief Executive Officer'
- make a technical amendment to the definition of 'reporting period'.

The measures contained in the Bill implement, in part or in full, several recommendations from the 2021 *Review of the Workplace Gender Equality Act 2012*.

Our Watch supports Commonwealth Government efforts to reduce the gender pay gap and promote workplace gender equality through legislative reform and welcomes the Bill. In particular, we welcome the likely impact of the Bill on encouraging employers to advance gender equality across workplaces and contribution to promoting and normalising gender equality in public and private life, which is an essential action to prevent violence against women, as outlined in [Change the story: A shared framework for the primary prevention of violence against women in Australia](#).

The proposed amendments provide greater transparency and accountability and contribute to addressing the gender pay gap in Australia. However, closing the gender pay gap requires simultaneous and multifaceted actions to address the gender dynamics that inform and are reflected across the Australian economy at individual, community, organisational, institutional, systems and societal levels. There is also a need to take a holistic approach to achieving women's economic equality. As a result, there are opportunities for the Commonwealth Government to build on these reforms.

## **The gender pay gap and violence against women are both symptoms of gender inequality**

The gender pay gap is a symptom of gender inequality across the Australian workforce and in society more broadly. Gender inequality not only produces a persistent gap between men's and women's earnings, it also underpins violence against women. *Change the story* identifies gender inequality as setting the social context in which violence against women occurs and makes clear that the drivers of this violence are gendered. The factors that *Change the story* terms the 'gendered drivers' of violence arise from gender-discriminatory institutional, social and economic structures, social and cultural norms, and organisational, community, family and relationship practices that together create environments in which women and men are not considered equal, and violence against women is both more likely, and more likely to be tolerated and even condoned. The gendered drivers of violence against women are:

- **Driver 1:** Condoning of violence against women.
- **Driver 2:** Men's control of decision-making and limits to women's independence in public and private life.

- **Driver 3:** Rigid gender stereotyping and dominant forms of masculinity.
- **Driver 4:** Male peer relations and cultures of masculinity that emphasise aggression, dominance and control.

Gender bias in recruitment and selection processes and decisions about women's promotion and career development; workplace cultures that value what is seen as a 'male' leadership style;<sup>1</sup> and entrenched beliefs and social norms that men make better leaders are all widespread in Australia and contribute to the underrepresentation of women in positions of power and decision-making roles in workplaces and the broader economy.<sup>2</sup>

In part, women's economic insecurity results from women earning less than men over their lifetimes. Three of the main contributors to this gender pay gap include:

- gender discrimination
- care, family responsibilities and workforce participation
- gender segregation by job type.

When women earn less, they do not have the same economic or financial security as men. This can reduce the choices and the level of independence that women have. Financial control is a common form of abuse or coercion used by men against women. *Change the story* outlines how men's control of economic decision-making and limits to women's independence in public and private life including financial autonomy is a key driver of violence against women. Both for individual women and in a broader sense, women's economic inequality and insecurity is interconnected with violence against women, with these two symptoms of gender inequality being mutually reinforcing.

## The positive impact of these reforms

The amendments to the *WGEA Act* contained in the Bill are a positive step towards closing the gender pay gap and increasing workplace gender equality.

Our Watch supports the amendments which are likely to contribute to greater transparency and accountability and normalisation of gender equality as a principle and practice that should underpin Australian workplaces.

In particular, introducing a requirement to publish employer level gender pay gaps, and requiring employers to provide their WGEA gender equality reports to their governing bodies will increase the accountability of employers

In addition, the proposed requirement for large employers (over 500 employees) to introduce a minimum of three policies and/or strategies against specific targets related to one of six more broadly defined gender equality indicators is also positive and is in line with the *Respect@Work* recommendations.

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<sup>1</sup> WGEA. (2019). [Gender equitable recruitment and promotion](#). Australian Human Rights Commission.

<sup>2</sup> Webster et al. (2018). [Australians' attitudes to violence against women and gender equality](#). Australia's National Research Organisation for Women's Safety.

## Additional opportunities for reform

As outlined above, Our Watch supports the proposed amendments contained in the Bill. However, in the context of the 2021 Review of WGEA which has not yet been fully implemented, there are further opportunities to strengthen the *WGEA Act* and address the gender pay gap. There are also opportunities to consider greater linkages between and coordination of legislative, policy and regulatory measures and reforms designed to address gender equality, as well as with efforts to prevent violence against women.

For example, while the Bill includes proposed reforms that will increase the *reporting* obligations on employers, they do not oblige employers to take concrete *actions* to close the gender pay gap. There are also no changes to sanctions for non-compliance with the *WGEA Act* or the proposed new reporting standards.

Our Watch encourages ongoing consideration by the Commonwealth Government of amendments that would compel employers to take time-bound and concrete steps to implement strategies designed to address the gender pay gap and accelerate changes to gender inequality within their institutions and organisations.

In addition, there are a range of broader opportunities to use legislative and regulatory reform to advance gender equality across the Australian workforce and economy. Our Watch encourages further consideration of these as part of ongoing reforms. These include for example, measures to address the gender segregation of workforces and the gendered ways in which different industries and sectors are valued and remunerated, as outlined in *Change the story*.

For example, evidence suggests that one of the key challenges in achieving pay equity is the ongoing gender segregation of industries, and the way in which male dominated industries continue to be rewarded and valued through higher monetary value and through policies such as subsidies.<sup>3</sup> This is (re)produced and reinforced through cultures of masculinity (gendered driver 4) that support dominant forms of masculinity (gendered driver 3), where particular characteristics and ways of working (such as control and aggression), and therefore working environments, exclude women, create unsafe workplaces and reinforce workplace gender inequality.

In addition, addressing cultures of masculinity in certain industries and challenging gendered stereotypes around what work women and men can and should do is key to addressing the persistent pay gap.

As outlined in *Change the story*, the policy and legislative reforms that are most likely to enable primary prevention of violence against women are those that address the gendered drivers of violence against women (and other forms of systemic and structural discrimination), support redistribution of resources and responsibilities, and transform the underlying causes and structures of gender inequality.

This Bill contributes to those efforts. More broadly however, there are a range of opportunities to move beyond addressing the gender pay gap to address gender inequality and as a result to work towards preventing violence against women. For example, these

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<sup>3</sup> Duncan AS, Mavisakalyan A and Salazar S (2022), [Gender Equity Insights 2022: The State of Inequality in Australia](#), BCEC|WGEA Gender Equity Series, Issue #7, October 2022.

opportunities include work underway at a national level to develop a National Strategy to Achieve Gender Equality, actions under the *National Plan to End Violence against Women and Children 2022-2032*, commitment to full implementation of the *Respect@Work* recommendations, the work of the Women’s Economic Equality Taskforce, development of an Employment White Paper, as well as the Commonwealth Government commitment to gender responsive budgeting and policy making processes.

By making clear and consistent connections between all of the policy, legislative and regulatory levers governments have, targeted strategies that aim to address one aspect or of gender inequality —such as the gender pay gap—can be better coordinated with strategies to address gender equality more broadly, as well as with efforts to prevent violence against women. This will help ensure a more holistic and effective approach that has significant and sustained impacts, both in individual workplaces and across the Australian workforce and economy.