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3 March 2023

Senate Finance and Public Administration Committees
PO Box 6100
Parliament House
Canberra ACT 2600

By email: fpa.sen@aph.gov.au

Re: Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023

The Australian Services Union (ASU) welcomes the opportunity to make a submission on the *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023*.

The ASU is one of Australia's largest Unions, representing approximately 135,000 employees. Around 50% of ASU members are women, the exact percentage varies between industries, e.g. in social and community services around 70% of our members are women.

Australian women face a plethora of barriers to attaining financial independence and security over their lifetime. The gender pay gap is not a result of a single event or experience, it is the cumulative effect of: women doing the same work as men but earning a lower salary; women are less likely to be in high level (and highly paid) positions; women working in sectors with a lower value placed on them (e.g. social and community services, aged care and child care); breaks in employment and returning part time due to caring responsibilities; and employer discrimination (either consciously or subconsciously).

We welcome and support the *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023* to help address these issues as well as assisting to disentangle many of the reasons women experience pay inequity.

We support Appendix B of the Impact Analysis in terms of how employer level gender pay gap data will be calculated and reported.¹ In particular, we are pleased to see mandatory reporting of CEO remuneration included.

In our letter to Prime Minister Albanese on 24 August 2022 we highlighted the pay gap between executives in Australia and their employees continues to grow with the average CEO earning 132 times the average worker's wage. Executive salaries along with corporate profits are at record highs, with rapidly accelerating CEO and senior executive pay exacerbating inequality in Australia.

This Bill will promote greater transparency, place upward pressure on employee wages, and will also help close the gender pay equity gap.

¹ Explanatory Memorandum, Appendix B of the Impact Analysis [Online]
https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/s1363_ems_c828bc87-8341-420d-9641-981a45c43fc6/upload_pdf/EM_JC008778.pdf;fileType=application%2Fpdf

Whilst we are supportive of the new reporting requirements we believe other jurisdictions, such as France, Spain and Canada should also be examined as their salary data includes statistical data on overtime pay gaps; promotion rate gaps; salary increases to women in the year following their return from parental leave and other statistical data that in addition to wages are all drivers of gender inequity. Requiring employers to provide a high degree of statistical detail is a crucial first step to addressing the discrimination that perpetuates inequities in pay.

The second step is to ensure statistical reporting is supported with a relevant, tailored action plan created by the employer. It must not be assumed that what gets measured and reported will be acted upon in good faith by employers. Research demonstrates that without mandating action plans with clear timeframes and measurable goals to narrow the gender pay gap, reporting regimes will be limited in their effectiveness.² With the risk that identified gaps may be ignored or left to workers and their unions to address.

Remedying these weaknesses would bring Australia in line with stronger and more ambitious reporting legislation found in countries like France, Spain and Canada.

The Bill is a significant first step to ensuring workplaces are fair and equal for all workers, regardless of their sex. The undervaluation of female work cannot be allowed to continue.

Finally, the ASU is aware that several other Unions and affiliates are making submissions in response to the Bill. The ASU supports those submissions and the recommendations contained within.

Yours faithfully

Robert Potter
NATIONAL SECRETARY

² Bridging the gap? An analysis of gender pay gap reporting in six countries [Online] <https://www.kcl.ac.uk/giwl/assets/bridging-the-gap-an-analysis-of-gender-pay-gap-reporting-in-six-countries-summary-and-recommendations.pdf>