

3 March 2023

Committee Secretary
Senate Finance and Public Administration Committees
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ARA SUBMISSION REGARDING INQUIRY INTO CLOSING THE GENDER PAY GAP BILL 2023

The Australian Retailers Association (ARA) welcomes the opportunity to comment on the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023 (the Bill).

The ARA is the oldest, largest and most diverse national retail body, representing a \$400 billion sector that employs 1.3 million Australians – making retail the largest private sector employer, and one of our largest employers of women, in the country. As Australia's peak retail body, representing more than 120,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects and unifies our independent, national and international retail community.

We represent the full spectrum of Australian retail, from our largest national and international retailers to our small and medium sized members, who make up 95% of our membership. Our members operate in all jurisdictions and across all categories - from food to fashion, hairdressing to hardware, and everything in between.

The ARA is committed to closing the gender pay gap in the retail sector, as evidenced by our [Gender Equality Position Statement](#) which has now been publicly endorsed by 24 major retailers.

As part of our ongoing commitment, the ARA has partnered with a range of industry experts to develop practical tools and resources to support retailers as well as working to continue to shape, advance and promote gender equality across our sector under the leadership of our C-suite Diversity, Equality and Inclusion Advisory Committee.

These initiatives include the following actions that ARA is committed to leading to improve choice, career progression and financial security for women in retail.

1. Deploy campaigns to build awareness and capability in relation to Respect@Work
2. Work with members to strengthen policies and procedures
3. Encourage our sector to adopt a 40:40:20 gender mix in boards and executive teams
4. Take actions to address the gender pay gap and remove barriers to financial security for women in retail, through their working life and at retirement
5. Remove barriers that hinder women in retail realising their full potential
6. Advocate for more cost-effective childcare and increased flexibility in childcare arrangements
7. Offer equal access to parental leave for all carers of all genders and all care status
8. Deploy awareness campaigns in relation to domestic and family violence leave
9. Remove rigid gendered stereotypes in advertising, ranging and pricing

We note that *Workplace Gender Equality Act 2012* (the Act) currently requires employers with more than 100 employees to report annually to the Workplace Gender Equality Agency (WGEA) against six measures of gender equality. We believe this remains the most appropriate reporting threshold for our sector.

In respect of the provisions in the Bill to improve pay gap transparency, we are broadly supportive of the proposed measures to publicly disclose data about the gender pay gap at an employer level. We acknowledge that these amendments do not place any additional reporting burden on employers and retain existing protections around the disclosure of individual employee remuneration data.

However, we retain concerns raised in our submission to the WGEA Strategic Review in 2021 about the agency's approach to large group employers, some of whom report at an aggregated level and some of whom report at a divisional or brand level. This inconsistent approach creates a risk of unfavourable comparisons between similar employers due to the way in which they report to WGEA rather than any underlying difference in how they manage their business.

We are also concerned that employers will not be given adequate notice before the publication of pay gap data at a company level. Given that part of the agency's rationale for disclosing pay gap data by employer is to "generate stakeholder engagement and inform investment decisions" it is critical that WGEA provide advance notice of adverse findings against individual employers so that they may have time to manage any reputational risk by putting in place actions to improve performance.

We are supportive of other measures outlined in the Bill, including changes to support implementation of Respect@Work, amendments to definitions and measures to improve accountability for gender equality, by requiring employers to share their WGEA Annual Report with their governing body.

According to the WGEA Gender Equality Scorecard 2022, the gender pay gap for retail is 13.3% and compares favourably to the rest of the economy at 22.8%. However, we acknowledge that more work is needed to address the residual pay gap in our sector.

We believe that the changes outlined in the Bill will support the improvements that the community expect and that the ARA is committed to delivering. However, there must be continued innovation in WGEA processes to ensure that publicly available data enables like-for-like comparisons between employers. We also believe that WGEA will be missing an opportunity to drive change if they fail to provide employers with adequate notice to put plans in place to improve performance over time.

Thank you again for the opportunity to provide a submission to the Committee. Any queries in relation to this submission can be directed to our policy team at

Yours sincerely,

Paul Zahra
Chief Executive Officer