

EMPLOYMENT | MAY 2023

CLOSING THE GENDER PAY GAP - RECENT LEGISLATIVE CHANGES IN AUSTRALIA

The Australian federal parliament recently passed the Workplace Gender Equality Amendments (Closing the Gender Pay Gap) Bill 2023 which aims to accelerate our journey towards gender equality and pay equity in Australia.

What has changed?

This reform means that from next year (2024):

- employers covered by the WGEA legislation (i.e. private sector employers with 100 or more employees) -
 - must report to WGEA on:
 - o manager remuneration; and
 - o prevention and response action relating to sexual harassment, sex-based harassment and sex discrimination (1) the provisions set out in any policy or strategy dealing with prevention and responding; (2) the provision of training (including frequency and content); (3) the disclosure processes and management of disclosures; (4) leadership statements or communications to demonstrate commitment to prevention and response; (5) information about sexual harassment risk management; (6) information about the prevalence data collected; and (6) support available to employees.
 - must provide their WGEA Executive Summary Report and Industry Benchmark Report to their Boards; and
 - in the case where they have 500 or more employees, must have in place policies or strategies for each of the six gender equality standards (i.e. (1) gender composition of workforce; (2) gender composition of governing bodies of employers; (3) equal remuneration between women and men; (4) availability of flexible work arrangements; (5) consultation with employees on gender equality; and (6) sexual harassment, sex-based harassment and sex discrimination.
- WGEA will publish each employer's gender pay gaps (which was not previously published). Gender pay gaps will be published by mean, median and employer remuneration quartile. Employers will be informed of what information will be published and given an opportunity to provide a statement that gives context to their gender pay gaps or outlines their plans to address the gaps which will be publish with the employer's gender pay gaps.

What are the implications for employers?

Employers should expect:

- heightened scrutiny/transparency over their gender pay gaps, with current and prospective employees and customers having greater insight into their gender pay gaps; and
- given the new requirement to report on prevention and response action relating to sexual harassment, sex-based harassment and sex discrimination, which aligns with the new positive duty on employers to take reasonable and proportionate measures to eliminate sexual harassment, sex-based harassment and sex discrimination, as far as possible, the Australian Human Rights Commission will likely have regard to the new information contained in WGEA reporting (which will be publicly available) to assess an employer's efforts to comply with the new positive duty.

We recommend that you review your current WGEA reporting and begin to prepare for the new reporting requirements, refresh your strategies to address gender equality and specifically gender pay equity and focus on the measures you are implementing to give effect to the new positive duty.

Please get in touch with our team to find out more.



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