

Unlocking data & behavioural insights to close the gender pay gap in NSW



About this policy brief

Research approach

This Policy Brief is based on a JMI rapid response project for NSW Treasury in the context of the NSW Women's Economic Opportunities Review. The project was conducted by the Institute as an in-house desktop research and policy exercise, consulting a selection of external experts.

Acknowledgements

The Institute would like to thank the following individuals and organisations for sharing their suggestions, feedback and expertise at different stages of this project:

- Dr Janin Bredehoeft, Research and Analytics Executive Manager, WGEA
- Professor Rae Cooper, University of Sydney
- Ariel Hersh, Senior Head of Strategy, Seek
- Gemma Lloyd, CEO, Work180
- Rama Lokon, Senior Strategy Manager, Seek
- Associate Professor Mathias Sinning, Australian National University
- Women NSW
- Hon Mary Wooldridge, Director, WGEA

Explanatory statement on authorship

The James Martin Institute for Public Policy is a nonpartisan, independent policy institute which does not adopt an institutional view on specific policy issues. This report reflects the calibrated view of the JMI project team. Its view was formed on the basis of an evaluation of relevant research, stakeholder consultations, and engagement with relevant experts.

The findings and recommendations of any JMI publication do not necessarily reflect the views of the Institute, its Board, funders, advisers, or other partners.



Executive Summary

We have a problem with our gender pay gap in Australia. This policy brief considers innovative ways that existing government data can be unlocked, leveraged, and mobilised to enhance the performance of private sector employers towards closing the gender pay gap in New South Wales (NSW).

In 2021, Australia moved down six places in the World Economic Forum's Global Gender Gap Index rankings to 50th place¹. Our gender pay gap also worsened, increasing from 20.1 per cent in 2019-20,² to 22.8 per cent in 2020-21.³ This is partially attributable to the economic effects of COVID-19, and the disproportionate disruptions experienced by female-dominated industries.⁴ However, **the gender pay gap has remained stubbornly constant** in Australia, floating around the 20 per cent range since 2016.⁵

The NSW Government's *Women's Economic Opportunities Review*, provides a unique opportunity to consider **innovative approaches to addressing gender inequality** and enhance female economic participation, for the benefit of all. Simultaneously, the Commonwealth Government has undertaken a review of the *Workplace Gender Equality Act 2012*. Amongst other reforms, the Commonwealth review has recommended the *Workplace Gender Equality Act 2012* be amended to allow the Workplace Gender Equality Agency (WGEA) to publish gender pay gap information at an employer level.⁶

While this policy brief focuses on private sector workplaces, we note that much of the report is also relevant to public sector organisations. Moreover, as a significant employer in NSW, there may be legitimate reasons for ensuring that the public sector is included to ensure the integrity and impact of the measures proposed

This policy brief proposes four key actions for the NSW Government to consider:

1. The NSW Government, in partnership with WGEA, should engage with private and public sector job search platforms to display an Employer of Choice for Gender Equality (EOCGE) citation "badge" on job ads for relevant NSW employers.
2. The NSW Government, in partnership with WGEA and other gender equity organisations, should invest in an information and advocacy strategy to increase the prominence and recognition of the WGEA EOCGE citation, and drive uptake among NSW employers.
3. The NSW Government should consider investing in randomised control trials on how best to advance commitments to gender equity in NSW workplaces, including practical insights on how best to influence key decision-makers in firms.
4. The NSW Government should work closely with the Commonwealth Government to ensure that WGEA data on individual organisations' gender pay gap be made publicly available (aligned with the recommendation from the *Workplace Gender Equality Act Review*).

¹ [Global Gender Gap Report 2021 Insight Report](#), World Economic Forum.

² [Australia's gender equality scorecard: Key results from the Workplace Gender Equality Agency's 2019-20 reporting data](#), WGEA.

³ [WGEA Data Explorer](#), WGEA.

⁴ [COVID-19 and gender equality: Countering the regressive effects](#), McKinsey & Company.

⁵ Data provided by Women NSW.

⁶ [WGEA Review Report](#), Department of the Prime Minister and Cabinet. The Commonwealth Government has been working towards implementation of the report's recommendations, noting that the report requires further consultation with business on some aspects. See Senator the Hon Marise Payne, [Media Release: Review of Workplace Gender Equality Act Report](#).



World-leading data already available to be unlocked

There is a significant opportunity for the NSW Government, in partnership with WGEA, to **leverage the existing world-class data that WGEA captures** on workplace gender equity and drive meaningful change on the gender pay gap within NSW.

In addition to the data that WGEA collects as part of their Compliance Reporting Program (mandatory reporting on gender equity for organisations of 100+ employees), the Agency also administers the **EOCGE citation**. The citation is a voluntary leading practice recognition program designed to encourage, recognise and promote organisations' active commitment to achieving gender equality in Australian workplaces.⁷ The citation is awarded to organisations that can demonstrate they have policies, procedures and practices in place to address the various determinants of gender inequality. Of the 4,474 organisations that were required to report under the Compliance Reporting Program in the 2020-21 reporting period, only 130 have received the EOCGE citation.⁸ The Workplace Gender Equality Act Review has also recommended that WGEA review EOCGE citation to improve its effectiveness and uptake.⁹

Further details on WGEA's Compliance Reporting Program, the EOCGE citation and details of a recent study undertaken into the effects of the EOCGE citation are included in Appendix A.

Leveraging behavioural insights to drive change on the gender pay gap

By leveraging the existing WGEA data and the existing EOCGE citation, through behavioural insights and carefully designed “nudges”, the NSW Government can effectively mobilise action and influence change on gender equality in private sector organisations, including but not limited to the gender pay gap.¹⁰

The NSW Government should identify effective ways to **enhance awareness and market recognition of the existing WGEA EOCGE citation**, including through its incorporation as a “badge” in job advertisements. The NSW Government, in partnership with WGEA, could work collaboratively with private sector job search platforms – who are ready and willing to engage – to achieve this. Through enhanced market recognition, more employees will seek evidence of the citation from prospective employers during the job search process. Increased recognition of the citation badge in the market could create a “bandwagoning effect” whereby more organisations seek to apply for the EOCGE citation. This could lead to a “norm cascade”, driving up commitments and behaviours on gender pay equity across companies in NSW.

The NSW Government could also **mandate individual organisations to disclose their gender pay gap performance**. This would ideally align with potential reforms at the Commonwealth level, though NSW should be prepared to lead if change at the federal level stalls. Employers' fears and anxieties associated with public exposure of poor performance, as well as being outliers, or “norm non-conformers”, could encourage more employers to take action to close their gender pay gap. Mandatory disclosure rules could be supplemented, over time, with financial enforcement measures, such as fines or additional taxes, as well as exclusions from government procurement panels for non-compliant organisations.

7 [Employer of Choice for Gender Equality](#), WGEA.

8 [WGEA Data Explorer](#), WGEA; [Employer of Choice for Gender Equality](#), WGEA.

9 [WGEA Review Report](#), Department of the Prime Minister and Cabinet.

10 The gender pay gap measures the difference between the average earnings of women and men in the workforce. The gender pay gap is the result of the social and economic factors that combine to reduce women's earning capacity over their lifetime. Closing the gender pay gap goes beyond just ensuring equal pay. It requires cultural change to remove the barriers to the full and equal participation of women in the workforce. It is for this reason that throughout this report, we have referred to actions to address gender equity more broadly, as such measures will also have impact on the pay gap.

Summary of proposed approach (Figure 1)

To maximise the likelihood that organisations will take action to address the gender pay gap, and indeed gender equity more broadly, a combination of both approaches would maximise impact. Influencing voluntary behaviours will likely have a greater impact on changing attitudes and beliefs over time, and influencing behaviour through mandates will accelerate the speed of change and force laggards to take action.

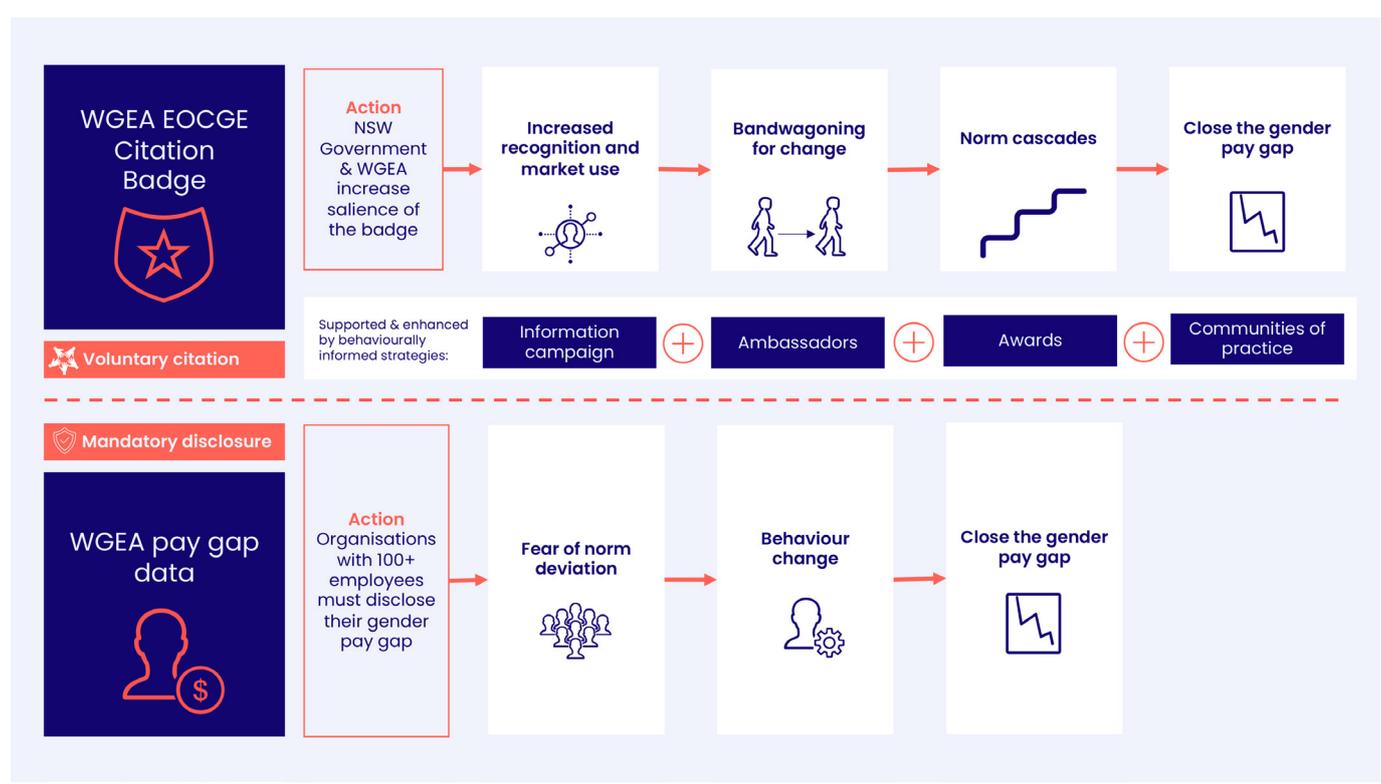


Figure 1: Summary of proposed approach

By encouraging increased EOCGE citation, the NSW Government can influence organisations to close the gender pay gap.

For the EOCGE citation to work as a nudge, it needs to be effectively integrated into the labour market.

Currently, prospective employees need to search for the EOCGE citation on individual company websites, requiring them to know it is available. To enhance its prominence in the market, the WGEA EOCGE citation badge could be made available for inclusion on job ads on private sector job search platforms, such as Seek and LinkedIn, as well as on government recruitment portals. Over time, employees will come to recognise the EOCGE citation badge, and begin to search for it in job ads and on employer websites.

Labels for energy efficiency or fuel economy, “nutritional facts” panels on food, or cigarette package warnings are all examples of behavioural “nudges” for communicating specific information to consumers, in order to influence their choices and behaviour, to enhance welfare. To be effective, nudges need to be designed in such a way so as to make choices simpler and easier for people to navigate.¹¹ In particular, nudges that increase the ease and convenience of decision-making can be very effective where the amount of information is vast, complex, or not accessible/digestible by end-users who are making decisions.¹² Additionally, mechanisms for *disclosure* of this complex information can also help decision-makers make better informed choices based on improved accessibility of data.¹³

The WGEA EOCGE citation is an existing governmental tool which enables public communication and disclosure of an organisation’s commitment to gender equity. In addition to being a mechanism for encouraging employer good practice, it also serves as an easily recognisable market signal, or label,

to current or prospective employees, informing them of an organisation’s gender equity commitment.

In a report by Work180 titled *What Women Want 2021: A global report revealing what women want and need to thrive in the workplace*, 91 per cent of respondents agreed that it is valuable to be able to easily identify organisations that are considered to be “great employers for women”.¹⁴ Additionally, an overwhelming 93 per cent of respondents indicated that they want to know what benefits and policies an employer offers before applying for a role with them.¹⁵

Women are already seeking more information and indicators in the labour market about the gender equity performance of current or prospective employers.

As market recognition increases, a bandwagon effect can drive normative change.

As the recognition of the WGEA EOCGE increases among employees, it is reasonable to assume that more and more employees will look for this indicator of gender equity performance in an employer. Similarly, as more and more employers adopt the citation, a trend is likely to emerge among employers.

¹¹ Cass R. Sunstein, *How Change Happens*, MIT Press, 2019, p. 60.

¹² Cass R. Sunstein, *How Change Happens*, MIT Press, 2019, p. 63.

¹³ Cass R. Sunstein, *How Change Happens*, MIT Press, 2019, p. 63.

¹⁴ [What Women Want 2021: A global report revealing what women want and need to thrive in the workplace](#), Work180.

¹⁵ [What Women Want 2021: A global report revealing what women want and need to thrive in the workplace](#), Work180.

Over time, the EOCGE citation could become an employment market norm, and a well-recognised signal of employer “good practice”.

A VicHealth report *Framing gender equality: Message Guide* surveyed individuals’ attitudes towards gender equality. The report identified that:

1. 25 per cent of respondents fell into the “supporter” category;
2. a majority 60 per cent of respondents fell into the “persuadable” category; and
3. only 15 per cent identified as “opponents”.¹⁶

There is clearly a significant opportunity to shape the opinions, beliefs and importantly motivations of the 60 per cent that can still be persuaded about the importance of gender equity.

In the context of workplace gender equity, leading organisations, or “supporters”, are already aware of the market benefits of obtaining the EOCGE citation. CEOs of “first mover” organisations with a WGEA EOCGE citation recognise that there is a strong commercial driver to being a citation holder because it provides good public recognition of an organisation’s focus on gender equality.¹⁷ They claim the citation supports their ability to attract and retain the best possible talent to build a high-performance workforce. This provides a significant differentiation in a competitive marketplace.¹⁸

As the WGEA EOCGE citation becomes more widely adopted, and the citation becomes prominent in the labour market, it is reasonable to assume that a “bandwagon effect” could take effect among employers and employees. The “bandwagon effect” describes a phenomenon by which public opinion or behaviours shift due to particular actions and beliefs gaining momentum amongst the public.¹⁹ Put simply, people are more likely to adopt behaviours as the proportion of others who have already done so increases.²⁰ This is particularly true of organisations, and their leaders, who might fall into the “persuadable” category. There is potential in NSW for a kind of “positive bandwagon effect” as more organisations emulate the good practices of their more gender equitable peers.

Bandwagoning can eventually lead to a “norm cascade”,²¹ to shift collective behaviours towards improved gender equity outcomes. This could be especially powerful for “persuadable” organisations or leaders, which in turn raises social and normative expectations on laggards (or “opponents”) to improve their performance.

NSW Government can mobilise and enhance market recognition of good performers.

A key goal should be to establish the WGEA EOCGE citation as a widely recognised, credible common standard in NSW, one that can be used confidently by employers and employees alike to inform their choices and signal their commitments. Private sector firms seeking to improve gender equity performance in workplaces would then be able to support companies to achieve, and even exceed, the WGEA standard.

There are **two key roles** for the NSW Government to play in order to enhance the recognition of the WGEA EOCGE citation and also to further encourage uptake of the citation by NSW employers.

1. Enhancing the mechanisms for communication of the EOCGE citation

By working in close partnership with WGEA, the NSW Government can enable collaborations with private sector job search platforms, such as Seek, LinkedIn and others, as well the NSW Government recruitment portal, *I work for NSW*. By working with these platforms, the government can encourage them to display the WGEA EOCGE citation logo as a badge on relevant job ads for cited organisations. In addition to the badge being displayed in job ads, the NSW Government and WGEA can engage with NSW citation holders to encourage them to display their citation clearly and prominently on their website.

By increasing the prominence of the citation in this way and making it more accessible for prospective employees, the Government can enhance the behavioural effect of the citation and support more informed choices.

¹⁶ *Framing Gender Equality: Message Guide*, 2021, VicHealth.

¹⁷ *EOCGE Application for New applicants, 2021-23*, WGEA.

¹⁸ *EOCGE Application for New applicants, 2021-23*, WGEA.

¹⁹ Rüdiger Schmitt-Beck, ‘Bandwagon Effect’, in Gianpietro Mazzoleni et al (eds.), *The International Encyclopedia of Political Communication*, Wiley Blackwell, 2015, pp. 57–61.

²⁰ Andrew Colman, ‘Bandwagon Effect’, *Oxford Dictionary of Psychology*, Oxford University Press, 2014.

²¹ Cass R. Sunstein, ‘Social Norms and Social Roles’, *Columbia Law Review* 903, 1996, pp. 903–968.

Recommendation 1

The NSW Government, in partnership with WGEA, should engage with private and public sector job search platforms to display an EOCGE citation “badge” on job ads for relevant NSW employers.

2. Government information campaign and advocacy efforts

Government can amplify and accelerate the EOCGE citation’s impact through the following additional initiatives:

Public information campaign

The NSW Government can run an information campaign targeting both NSW employers and employees about the WGEA EOCGE citation. The campaign can focus on enhancing:

- awareness of the meaning of the EOCGE citation logo, or “badge”, and
- awareness of the citation logo, and to look for the badge on company websites and in job ads.

This behaviourally-informed campaign would deploy communication strategies targeted to different audiences along the “supporters”, “persuadables”, and “opponents” spectrum.

It is important to note that for job platforms such as Seek, their algorithms will be informed by what jobseekers find useful, as indicated by jobseekers’ engagement on the site. An effective information campaign can, therefore, productively shape engagement with these platforms in a manner which makes it increasingly likely over time that these platforms will want to highlight gender equity information more prominently in ads or as filters.

EOCGE Awards

The NSW Government could also supplement the information campaign with more specific promotion efforts of the WGEA EOCGE citation. This could take the form of an annual NSW EOCGE Employer Awards event, to recognise “good” performers. The NSW Government, in partnership with WGEA, could work to identify categories of award recipients against key EOCGE citation dimensions, including, but not limited to progress on closing the gender pay gap within their organisations.

Treasurer’s equity ambassadors

One of the most important factors that impacts an organisation’s likelihood of taking actions to improve gender equity within the workplace is the motivation and level of commitment of the organisation’s leadership.²² So the same is likely true of an organisation’s propensity to voluntarily apply for the WGEA EOCGE citation.

The NSW Government could establish “equity ambassadors” who are leaders of organisations with the WGEA EOCGE citation and who are both committed to, and are actually making progress towards gender equity targets. These ambassadors could publicly champion the EOCGE citation.

The NSW Treasurer could host a regular roundtable with CEOs and board chairs to promote the EOCGE citation, as well as taking action on gender equity more broadly. The event should:

- profile “equity ambassadors” – leaders of organisations that are champions of the EOCGE citation and who are making significant progress and implementing innovative changes to address gender equity, and
- seek to influence other employers, including those who are late adopters or sceptics of taking action on gender equality within their workplaces.

To effectively nudge all participants, especially “persuadables” or even “opponents”, these sessions should be designed to draw upon evidence-based behavioural approaches. It would be critical to present gender equity, and especially closing of the gender pay gap, not only as an economic imperative and “good for business”, but as an accepted social norm, by emphasising that most business leaders are taking action.²³

²² Iris Bohnet, *What Works: Gender Equality by Design*, Harvard University Press, 2016.

²³ Cass R. Sunstein, *How Change Happens*, MIT Press, 2019.

Gender equity community of practice

HR leaders and professionals, as well as mid-level managers more broadly, are overwhelmingly tasked with delivering many of the policies and practices involved in the EOCGE citation.

The NSW Government, in partnership with WGEA, can establish “communities of practice” among this cohort and make resources available to:

- raise awareness of the EOCGE citation among this cohort, and
- to support them to either prepare for applying for the citation, or
- implement improvements against their existing strategies after having received the citation.

By providing these resources and support, the NSW Government can create effective supports and enablers to enhance the likelihood of successful progress in line with an organisation’s gender equity ambitions, and to foster continuous improvement over time.

Recommendation 2

The NSW Government, in partnership with WGEA and other leading practice gender equity organisations, should invest in a government information and advocacy strategy, to increase the prominence and recognition of the WGEA EOCGE citation, and drive uptake among NSW employers.

All of the initiatives suggested in this section are grounded in the behavioural insights literature as effective mechanisms for nudging behaviours and encouraging voluntary actions. However, some policies, including some nudges, may not be as effective, or could even fail in practice. Empirical tests, including randomised controlled trials, will be important for assessing what works to change behaviour and drive equitable outcomes inside businesses.²⁴

Recommendation 3

The NSW Government should consider investing in randomised control trials on how best to advance commitments to gender equity in NSW workplaces, including practical insights on how best to influence key decision-makers in firms.

²⁴ Iris Bohnet, *What Works: Gender Equality by Design*, Harvard University Press, 2016.

Transparent reporting of WGEA data can accelerate closing the gender pay gap.

Mandatory and transparent disclosure of gender diversity performance could encourage voluntary behaviour change.

Mandating disclosure of certain measures or outcomes is another behavioural mechanism, or nudge, that can influence behaviours, both for employees and employers.²⁵ When these disclosures demonstrate that an actor is outside of a social norm, or not performing as well as their peers, this can act as a further incentive to take action.

Social norms are sustained by the feelings of embarrassment, anxiety, guilt, and shame that individuals suffer at the prospect of violating them.²⁶ Because violations of social norms create such negative feelings, they impose costs on those who violate them.²⁷

Therefore, mandating the disclosure of an individual organisation's gender pay gap data, a metric that is currently kept confidential by WGEA and shared only with each respective organisation in a confidential report, could have a significant effect on an organisation's desire to stay aligned with social norms, or at the very least, to not be at the bottom of the pack. The Workplace Gender Equity Act Review has recommended this change to WGEA gender pay gap reporting.

By collaborating with the Commonwealth Government on this measure, the NSW Government could significantly influence employer behaviour. If reforms at the Commonwealth level were to stall, then the NSW Government should consider mandating disclosure of this data at a state level.

By indicating an appropriate lead-in time before this data will be publicly disclosed, organisations would have an opportunity to take action on gender equity broadly, and their gender pay gap specifically, before their performance was made public. In this time period, it is likely that a significant number of organisations would seek to make progress on their gender pay gap, in order to not appear to be outside of social norms on employer performance for this indicator.

For employers that are already EOCGE citation holders, and are already leading on gender equity within their workplaces, they might be encouraged to further improve their performance, or accelerate strategies they have already developed, or make significant innovations in their approach to addressing gender equity, that could be modelled by others.

Recommendation 4

The NSW Government should work closely with the Commonwealth Government to ensure that WGEA data on individual organisations' gender pay gap be made publicly available (aligned with the recommendation from the Workplace Gender Equality Act Review).

²⁵ Cass R. Sunstein, *How Change Happens*, MIT Press, 2019, p. 63.

²⁶ Cass R. Sunstein, *How Change Happens*, MIT Press, 2019, p. 7.

²⁷ Cass R. Sunstein, *How Change Happens*, MIT Press, 2019, p. 7.



The NSW Government could implement varying degrees of enforcement tied to mandatory disclosure.

If mandatory gender pay gap data disclosure is introduced for all NSW employers that already need to report to WGEA under the Compliance Reporting Program, the NSW Government could consider additional mechanisms for ensuring enforcement, in addition to behavioural incentives. Any additional mechanisms would need to be considered in light of any reforms introduced at the Commonwealth Government level.

Building on the experience in other OECD jurisdictions (explored further in Appendix B), the NSW Government could consider introducing financial penalties or other costs for employers who either do not comply with their reporting and disclosure requirements, or who persistently do not demonstrate improvement against their gender pay gap metrics. These could take the form of:

1. **Exclusion from NSW Government procurement**
In the same way that Workplace Gender Equity Act non-compliant organisations can be excluded from Commonwealth Government procurement, the NSW Government could similarly exclude NSW organisations from its procurement panels for failure to disclose their gender pay gap information.
2. **Fines**
As in the Icelandic model, the NSW Government could impose fines on any employers who are non-compliant with their disclosure requirements.
3. **Taxes**
Employers who do not demonstrate they are taking steps to close their gender pay gap, over a period of time, could incur an increased tax liability, for instance, via the NSW Government's Pay Roll Tax mechanism.

If such penalties were to be introduced, it is important that they are not perceived as simply another cost of doing business, thereby disincentivising an organisation's potential commitment to gender equity. Further work would need to be done on the optimal strategy for combining behavioural interventions and imposing costs.

Appendices

Appendix A

WGEA data captures, communicates and influences change on the gender pay gap

Appendix B

Some leading OECD countries have introduced mandatory reporting with different enforcement mechanisms

Appendix A

WGEA data captures, communicates and influences change on the gender pay gap.

WGEA have a world-leading dataset on gender equity.

The Workplace Gender Equality Agency (WGEA), a statutory agency created by the *Workplace Gender Equality Act 2012* (the Act), is charged with promoting and improving gender equality in Australian workplaces.²⁸

The Compliance Reporting Program is one of the programs administered by WGEA. Under the Act, non-public sector employers with 100+ employees²⁹ are required to submit a report to the agency annually. The Program captures information from each relevant employer on:

- workplace policies, practices and strategies that relate to gender equality
- workforce composition, including salaries and remuneration for all employees
- workplace management statistics relating to new appointment, promotions, resignations and parental leave (including return to work rates).³⁰

The data collected by WGEA through the Compliance Reporting Program constitutes one of the world's leading datasets on workplace gender equality.³¹ Each year WGEA publishes the annual key findings from the reporting data in the **WGEA Gender Equality Scorecard** and through their interactive public data portal, the **WGEA Data Explorer**.

The Scorecard and the Data Explorer include the latest aggregated figures on the gender pay gap, industry comparisons, women's workforce participation, women's representation in leadership and emerging trends in employer action.

Public data that is collected through the Program is also made available to employees, shareholders and members of individual reporting organisations. WGEA does not publish individual employer gender pay gap data or specific remuneration data via the Scorecard or the Data Explorer, but instead shares this confidential analysis with individual employers. Individual organisations can choose to voluntarily publish their gender pay gap data.

Employers with 500 or more employees in their corporate structure have additional compliance requirements under the Compliance Reporting Program. These employers must comply with the Workplace Gender Equality (Minimum Standards) Instrument 2014 which sets out the minimum requirements an employer of this size must do to show commitment to workplace gender equality and diversity.³²

Non-compliant organisations and consequences

Non-compliant organisations (i.e. organisations that do not comply with the reporting, and/or other, requirements of the Act) can be publicly named by WGEA. Non-compliant employers may not be eligible to tender for contracts under the Commonwealth and some state procurement frameworks, and may not be eligible for some Commonwealth grants or other financial assistance.³³

²⁸ [Welcome to WGEA](#), WGEA.

²⁹ Employers with less than 100 employees, or public sector organisations (i.e. not "relevant employers" under the Act) can still voluntarily submit reporting data to WGEA.

³⁰ [Reporting](#), WGEA.

³¹ [Australia's gender equality scorecard](#), WGEA.

³² [What are the minimum standards for organisations with over 500 employees?](#) WGEA Employer Portal.

³³ [Non-compliant organisations list](#), WGEA.

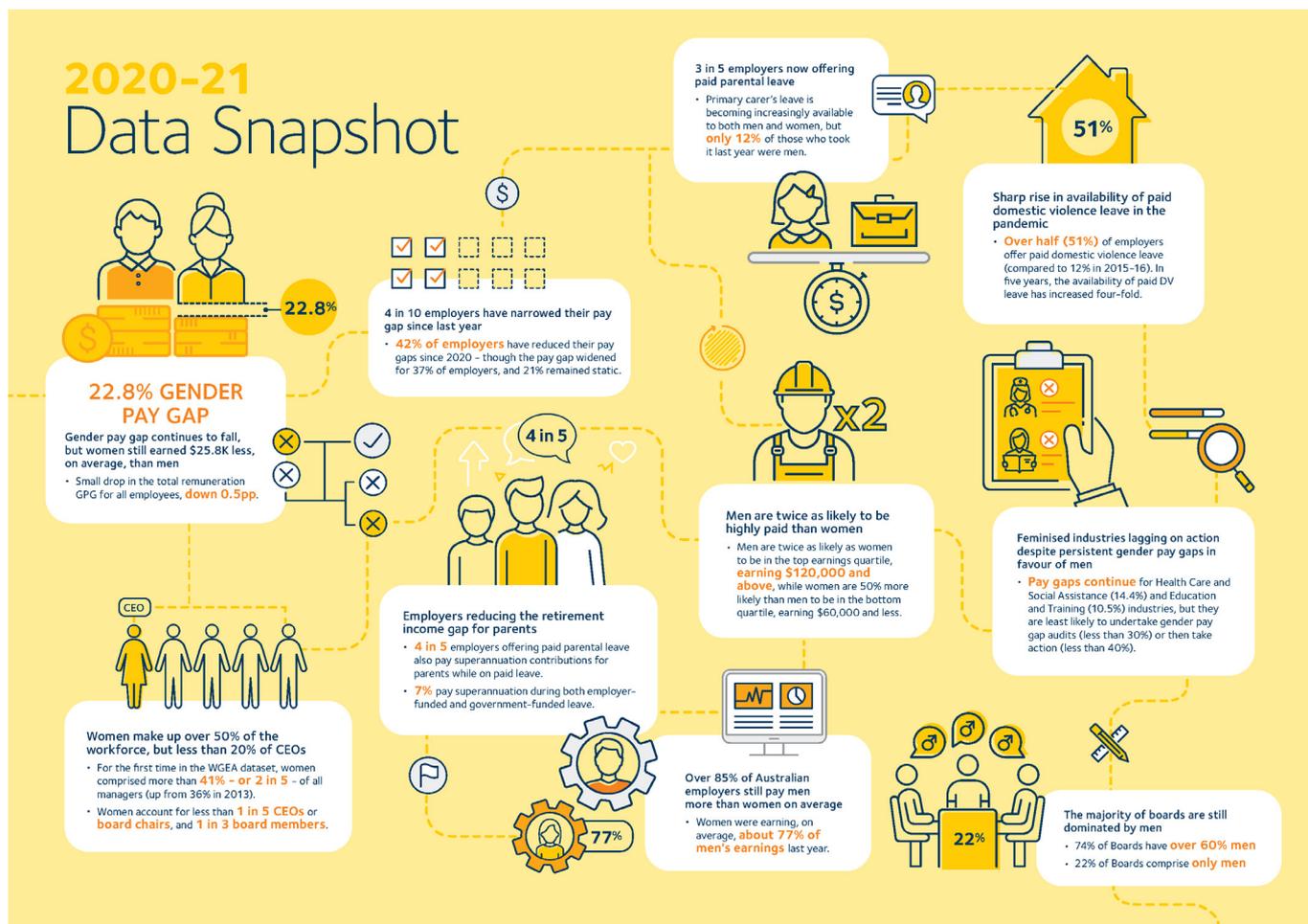


Figure 2: 2020-21 Gender Equity Scorecard data snapshot, [Source](#)

The WGEA Employer of Choice for Gender Equality (EOCGE) citation recognises leading practice employers.

In addition to the Compliance Reporting Program, WGEA also administers the voluntary Employer of Choice for Gender Equality (EOCGE) citation. The citation is a voluntary leading practice recognition program designed to encourage, recognise and promote organisations' active commitment to achieving gender equality in Australian workplaces.³⁴

To receive the citation, employers must meet all the EOCGE assessment criteria, which covers seven key areas:

- Leadership, strategy and accountability
- Developing a gender-balanced workforce
- Gender pay equity
- Support for caring
- Mainstreaming flexible work
- Preventing gender-based harassment and discrimination, sexual harassment and bullying
- Driving change beyond your workplace

³⁴ [Employer of Choice for Gender Equality](#), WGEA.

³⁵ [Employer of Choice for Gender Equality](#), WGEA.

The key areas of focus for the citation reflect findings from the latest academic research and consultation with gender equality experts into drivers of improved gender equality outcomes.³⁵ Employers must demonstrate their commitment and actions by reporting their policies, procedures or strategies aligned to the seven areas of focus. WGEA also assesses candidate organisations on the lived experience of employees within the workplace through a consultation process, before awarding the citation.

As of 2021, there are 139 organisations who have voluntarily applied for and received the WGEA EOCGE citation, up from 119 in the 2019-20 reporting period, an increase of 17 per cent.

The citation is awarded for a two-year period and in addition to receiving a citation certificate, the citation logo (shown below) can also be displayed on the organisation's website.



The EOCGE citation is proven to drive faster improvements on gender equity metrics.

Recent research has demonstrated that the EOCGE citation is driving improved gender equity outcomes in Australian workplaces, among organisations that have received the citation.

CEOs of EOCGE organisations have told WGEA they use the citation as an external mechanism to keep them focussed and accountable in driving improved gender equality outcomes in their organisations.³⁶

In 2020, WGEA commissioned a report by Dr Terry Fitzsimmons and a team of researchers from the AIBE Centre for Gender Equality in the Workplace, analysing EOCGE organisations from 2014 to 2019. The report identified commonalities in these organisations' approach to workplace gender equality and identified what leading practice among these organisations looks like.³⁷ The EOCGE citation has a strong focus on research-based initiatives shown to improve gender equality outcomes, if implemented effectively. Therefore, the report indicated that these research-based initiatives are having an impact on closing the gender equity gap.

Importantly, the report found that EOCGE citation holders are improving on key gender equality metrics at a faster rate than other employers in WGEA's dataset.³⁸ EOCGE organisations have a faster reduction in their gender pay gap compared to other organisations, as well as a greater proportion of women in all levels of management and a higher representation of women on their boards.³⁹

³⁶ *EOCGE Application for New applicants, 2021-23*, WGEA.

³⁷ [Employer of Choice for Gender Equality Leading Practices in Strategy, Policy and Implementation](#), AIBE Centre for Gender Equality in the Workplace.

³⁸ [Employer of Choice for Gender Equality Leading Practices in Strategy, Policy and Implementation](#), AIBE Centre for Gender Equality in the Workplace.

³⁹ [Employer of Choice for Gender Equality Leading Practices in Strategy, Policy and Implementation](#), AIBE Centre for Gender Equality in the Workplace.

Appendix B

Some leading OECD countries have introduced mandatory reporting with different enforcement mechanisms.

According to the World Economic Forum's Global Gender Gap Index 2021 rankings, Australia ranks 50th in the world on the gender pay gap, down six places from 44th place in 2020.⁴⁰

Other OECD countries have performed better than Australia, and many have introduced a range of measures to close the gender pay gap, specifically.

Women NSW have undertaken analysis of some comparator OECD countries, namely Iceland, New Zealand, Canada and the United Kingdom.

Most have introduced mandatory gender pay gap reporting, and in some instances penalties for non-compliance. Some of these measures are summarised in Table 1 below.⁴¹ The "rank" column represents each respective country's rank in the World Economic Forum's Global Gender Gap Index 2021.

Of the countries examined, who have all performed better than Australia, they have all relied on either mandatory reporting, regulation or certification, or a combination of these, to drive down the gender pay gap within their respective jurisdictions.

Table 1: Comparator countries gender pay gap reporting policies

COUNTRY	RANK	GENDER PAY AND REPORTING POLICIES
Iceland	#1	<p>Iceland passed the <i>Equal Pay Standard</i> in 2018. This requires that companies with more than 25 employees must analyse and certify that men and women receive equal pay for the same job and for jobs of equal value.</p> <p>The new legislation was implemented through a job evaluation tool, the Equal Wage Management Standard.</p> <p>In 2020 (two years after the legislation was initially passed) certification against the Equal Pay Standard became mandatory and companies without certification now incur a daily fine.</p>
New Zealand	#4	<p>New Zealand passed the <i>Equal Pay Amendment</i> bill in July 2020.</p> <p>The new legislation sets clear guidelines for comparing pay between women in female dominated professions, and men with "substantially similar skills, responsibilities and service" in male dominated occupations.</p> <p>These clearer guidelines then make it easier for employees to lodge pay equity claims where they identify a gap.</p> <p>No mandatory reporting</p>
Canada	#24	<p>Canada passed a <i>Pay Equity Act</i> in 2018 with Pay Equity Regulations coming into force on August 31 2021.</p> <p>The Act introduces a proactive pay equity regime for federally regulated workplaces with >10 employees.</p> <p>Employers have to proactively examine their compensation practices by establishing a pay equity plan within 3 years.</p> <p>Where a gap is identified, they must increase compensation over a 3-5 year period.</p>
United Kingdom	#23	<p>Aligned to the <i>Equality Act 2010</i>, the Gender Pay Gap Information Regulations 2017 require mandatory pay gap reporting for all private and NFP sector employers with >250 employees.</p>

⁴⁰ [Global Gender Gap Report 2021 Insight Report](#), World Economic Forum.

⁴¹ Data provided by Women NSW.



James Martin Institute for Public Policy

Transforming public policy through
smart collaborations that harness
world-leading research.

Level 1, 60 Martin Place, Sydney
NSW 2000 Australia

E info@jmi.org.au | **W** jmi.org.au

