



Narrowing the pay gap strategy

October 2020

Foreword from Rod Sims—Chair	2
Introduction from Scott Gregson— Chief Operating Officer	3
1. Current pay gap	4
2. New initiatives to narrow the ACCC/AER pay gap.....	4
2.1. Advocate for industrial instruments that facilitate contemporary employment conditions	4
2.2. Defy stereotypes and celebrate role models	5
2.3. Entrench inclusive behaviours	5
2.4. Review and correct historical pay inequity	6
2.5. Address known under-representations	6
2.6. Existing diversity and inclusion policies	0
Appendix A:.....	1
What is a pay gap?	1
Why is it important to measure pay gaps?	1
What causes pay gaps?	1
Measuring success	1

Foreword from Rod Sims—Chair

The work done on measuring the gender pay gap has allowed us to quantify the pay gap, and understand some of the factors contributing to it. The work has also shed light on the representation within our workforce of people with different backgrounds. I want all our people to be able to work as they want to work, and be who they want to be, unfettered by laws, conventions or conscious or unconscious biases. This strategy includes initiatives that will remove those barriers.

Over the course of my life and career the roles of women in the workplace have changed dramatically, certainly very much for the better, as have how women in the workplace are perceived and treated. When I was a child, there was a common view that women should not work outside the home. It was thought that having women leave the workforce would create more opportunities for men and reduce unemployment. My mother was one of those who held that view. As a 14 year old I strongly disagreed with her then, marshalling all my logic to change her view; unsuccessfully. It seems extraordinary now, but women in the public service were required to resign when they got married. The so-called marriage bar continued until 1966.

When I started work it was rare to see women in management roles. Women who were in those roles were often not treated well, and I know from many conversations that they felt the difference in how they were treated compared to men in similar roles. It was also virtually unheard of to see men working flexibly to manage work and other commitments. Thankfully we have already seen changes in both those areas.

I am proud that the ACCC is adopting this strategy to remove barriers and so narrow all pay gaps, and that we are actively making changes to reduce inequality in the workplace. We have already made some big improvements in the level of diversity and inclusion within our agency, and this strategy continues that work.

We know that organisations manage what they measure, and we will continue to use data to monitor our success in these areas.

I hope we can all get behind the objectives of this strategy.

Introduction from Scott Gregson— Chief Operating Officer

Improving diversity, inclusion and equality at the ACCC and across the APS are personal priorities for me.

The ACCC is not unique when it comes to gender pay-gap. In 2018, women at the ACCC as a group on average earned 9.2 per cent less than men. This gap was wider than that of the Australian Public Service as a whole (7.8 per cent) and narrower than that of Australia as a whole (14 per cent). That said, I am of the view that having a gender pay gap is unacceptable and needs to be addressed with strong and proactive actions.

The ACCC has been committed to improving inclusion for a number of years. I am pleased that in 2019, the ACCC gender pay gap narrowed to 7.4 per cent. Although this time series is too small to indicate a trend, it is a beginning. I believe it demonstrates our commitment and effort to embed the practices that will allow us to continue to narrow the gap.

I am committed to closing the gender pay gap, as well as making our workplace more inclusive for people from all backgrounds—our people who are Indigenous, our people with disability, our people who are carers, our people who are culturally and linguistically diverse, and our people regardless of their sexual orientation, gender or age.

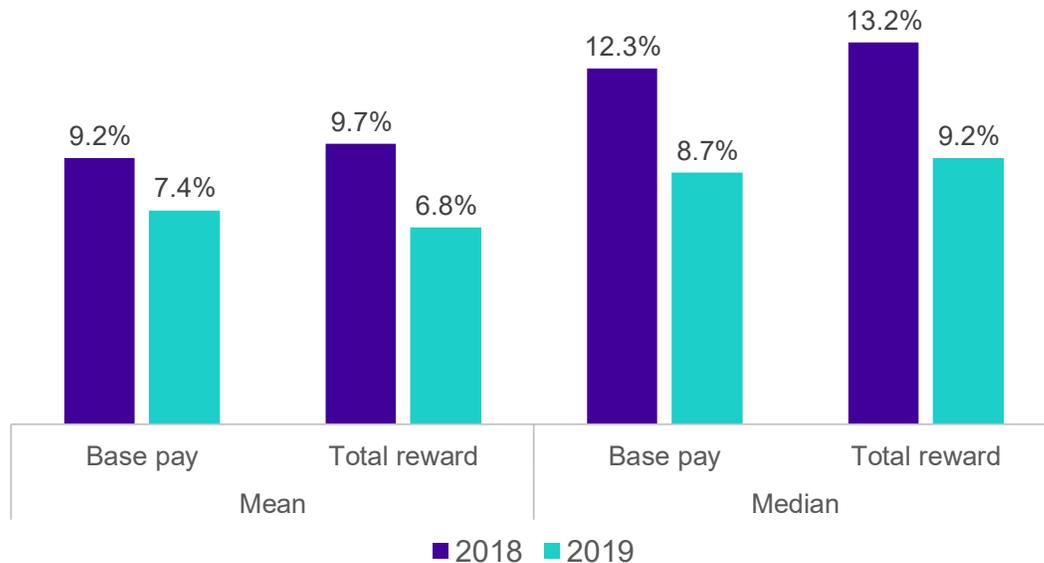
By the end of 2025 we aspire to report a gender pay gap that has been less than 5 per cent for at least two years, and less than 3 per cent for two years by 2030. This will require engagement and focus by all of us.

1. Current pay gap

For the 2018 calendar year the ACCC gender pay gap was 9.2 per cent. This reduced to 7.4 per cent in 2019 (see figure 1). These results are calculated using mean as the measure of average and using base salary. This is consistent with the Workplace Gender Equality Agency's methodology for calculating a gender pay gap.

For the 2018 calendar year, the ACCC/AER pay gap between the CaLD and not CaLD employee groups was 10.2 per cent. This reduced to 8.8 per cent in 2019.

Figure 1: ACCC/AER pay gap—2019 results and revised 2018 result



2. New initiatives to narrow the ACCC/AER pay gap

ACCC/AER has adopted five new initiatives to narrow the gender pay gap, and other pay gaps, by 2025. The initiatives include a range of short and longer term actions that together will narrow pay gaps. They include a range of internal measure we can take, and external advocacy to change the policies our agency operates under.

2.1. Advocate for industrial instruments that facilitate contemporary employment conditions

Research demonstrates that one of the largest contributors to the gender pay gap is caring responsibilities being disproportionately undertaken by women¹. As an APS agency, ACCC employment conditions are influenced by the *Maternity Leave Act* and the Australian Government Employment Bargaining Framework.

We will advocate for changes to the *Maternity Leave (Commonwealth Employees) Act 1973* and the Australian Government Employment Bargaining Framework so that we are able to introduce gender neutral parental leave for the ACCC/AER.

¹ *She's Price(d)less. The economics of the gender pay gap—summary report 2019*, KPMG, viewed 31 July 2020. https://www.wgea.gov.au/sites/default/files/documents/She%27s-Price%28d%29less-2019-Summary-report_0.pdf.

The *Maternity Leave (Commonwealth) Act* has been in place since 1973 and requires significant change to accurately reflect societal changes and allow parents to have equal access to parental leave regardless of their gender.

Similarly, the Australian Government Employment Bargaining Framework needs to enable greater flexibility, including allowing enhancements that provide APS agencies with the ability to provide employment conditions similar to conditions offered by private sector organisations. This will enhance the ability of the APS to attract and retain top talent, increase our employee value proposition and allow us to continue to be an employer of choice.

Our advocacy role will be driven by partnering with key leaders within the Treasury portfolio, HR professional stream and other relevant stakeholders. While this initiative may take longer to achieve, we think our leadership in this area will generate change not just for the ACCC, but for the APS more generally.

2.2. Defy stereotypes and celebrate role models

Our life experiences can unconsciously influence our attitudes and behaviours. This may affect whether we work flexibly, are primary carers, which professions/occupations we pursue, what industry we work in and what roles we perform and contest.

To challenge these social norms we will highlight and celebrate where people inside and outside our agency are defying stereotypes. This may include, among others:

- people who are Indigenous, with disability, neurodiverse, culturally and linguistically diverse, and/or do not identify as male in senior leadership positions
- men working flexibly and/or taking leave to support their caring responsibilities
- men in support roles
- women in economics and STEM (science, technology, engineering and maths).

2.3. Entrench inclusive behaviours

The transformational change needed for a workforce to be inclusive requires a shared awareness of the barriers facing some employees and a collective commitment, through actions and behaviours to support inclusion.

Inclusive behaviours are defined by the Diversity Council Australia, highlighted in our [Building Inclusion: advancing gender balanced leadership strategy](#) and include:

- develop an understanding about how individual identity influences behaviour and interactions
- create teams and networks in which a diversity of people feel connected, valued, and respected
- be curious about and open to new and different perspectives from a range of people
- develop an ability to be flexible about and responsive to a diversity of people and perspectives, and
- develop an ability to challenge accepted practices and incorporate different perspectives into how the ACCC operates.

We will entrench inclusive behaviours by making them mandatory in:

- components of every employee's annual performance plan
- selection criteria in all advertised APS 6 positions and above
- criteria for senior leaders' performance pay.

2.4. Review and correct historical pay inequity

Previous remuneration decisions may not have always had controls in place to manage the potential for unconscious bias. As a result, a contributor to the ACCC's pay gap could be pay inequity—people being paid differently for work of the same or comparable value.

To understand this, when funding is secured, independent experts will be engaged to undertake a pay equity analysis and audit. The analysis would involve using statistical modelling to identify the impact agency and employee attributes have on an employee's pay. Attributes may include commencing salary, previous salary-progressions, tenure at level, tenure in role, performance, qualifications, gender, age, disability, heritage, location, role type/function, work area, etc.

The pay equity analysis and audit will:

- determine if and to what extent there are any unexplained pay differences
- identify specific employees who are paid less than peers for performing the same or similar work
- determine if—and what—specific agency and/or employee attributes contribute to pay inequity
- provide aggregated information including pay inequity across like roles.

It is not practicable to provide any suggested recommendations for Initiative 4 as the results of the pay audit are unknown. Once this work has been completed by the independent third party, the recommendations will be assessed and progressed via the appropriate consultation forums for approval.

2.5. Address known under-representations

Known and significant under-representation across the ACCC includes:

- women in SES band 2 roles
- people who are Indigenous, CaLD and/or with disability in leadership roles
- men in support roles.

In addition to the initiatives to defy stereotypes and build inclusion throughout the ACCC, other actions to address the known under-representations will include:

- ensuring selection processes for appointment to these roles are best practice, including multiple points of objective assessment and incorporating selection expertise
- continuing coordinated secondments for existing SES band 2s. This may include reciprocal and non-reciprocal secondments with partner organisations such as the Treasury, ASIC, RBA, etc
- continuing investment in development programs such as the Future Leaders Program and SES Band 1 Leadership programs and ensuring ACCC/AER participants are from diverse backgrounds
- actively attracting and encouraging males to apply for support roles with the ACCC/AER.

2.6. Existing diversity and inclusion policies

The early indicators from reporting on pay gaps suggest our existing initiatives for a more inclusive workplace are contributing to narrowing the pay gaps at the ACCC/AER. The initiatives are led by our:

- [Diversity and Inclusion Strategy](#) that encompasses our Reconciliation Action Plan, Disability Action Plan and Employee Networks including but not limited to the Mipla Tunapri Indigenous Employee Network, the Culturally and Linguistically Diverse Employee Network and the Disability and Carers Employee Network.
- [Building Inclusion—advancing gender balanced leadership strategy](#) that defines our inclusive leadership capabilities and among other initiatives, identifies targets for women in our senior leadership positions.
- Flexible working policy—‘if not, why not’—that provides for all roles to be full time, part time or job share and for any role to be performed from any ACCC location.
- Contemporary [recruitment policy](#) including for [SES](#) roles that focuses on consciously reducing bias through more robust and broad ranging selection methods.
- Work on defining career pathways such as from the graduate program with a focus on diversity and inclusion.

Appendix A:

What is a pay gap?

A pay gap is the difference between two demographic groups' average weekly ordinary full-time-equivalent (FTE) earnings, expressed as a percentage of the higher group's earnings.

Women and men are the most common two demographic groups used to calculate a pay gap. We also calculate the pay gap using other demographic information such as employee's cultural/linguistic background.

Why is it important to measure pay gaps?

The ACCC/AER is committed to building and maintaining a diverse and inclusive culture where every employee's contribution is valued equally.

Calculating pay gaps is a measure of workforce inclusion. Reducing pay gaps improves inclusiveness and has significant organisational, social and economic benefits. This is because initiatives to narrow pay gaps provide the opportunity for less-included groups to increase their participation in the workplace.

Organisations with inclusive cultures enjoy:

- increased organisational performance
- enhanced ability to attract and retain talent
- enhanced organisational reputation

What causes pay gaps?

Commonly, organisations have pay gaps when demographic groups are over/under-represented in particular roles. Examples include senior leadership, support roles, and specific technical roles. This may stem from a history of:

- caring responsibilities being commonly undertaken by women
- limited workplace flexibility, particularly in more senior roles (EL and SES)
- unwittingly selecting for homogeneity at senior levels through a focus on technical skills and time in role at the expense of leadership skills and broader experience and perspectives. This results in a lack of balance in selection processes and a tendency towards selecting similar types of people
- unconscious bias in broader recruitment and pay review decisions.

Measuring success

We will continue to calculate and report on pay gaps at the ACCC/AER. De-identified data will be extracted from our systems at the end of each calendar year. Pay gap results will be reported to the agency.

We will continue to report on metrics including proportions of different demographic groups, by level, including:

- male/female
- CaLD/non CaLD
- Indigenous/not Indigenous

- people with disability/without disability.

We will measure how reducing pay gaps improves engagement, innovation, performance and productivity through the attitudinal and objective information we capture. This will include APS census results and scores and other data points.