



Pay equity audits in the WA Public Sector

In early 2009 the Labour Relations Division of the Department of Commerce provided the 2008 Pay Equity Reports to the 26 largest public sector agencies. These reports provide an overview of the gender pay gap and key gender related statistics for each agency. They also aim to encourage public sector agencies to undertake pay equity audits.

A pay equity audit is a detailed analysis of payroll data by the gender of employees and of human resource policies and practices to identify where gender pay differences and gender pay issues exist. There is no statutory obligation to undertake a pay equity audit. Labour Relations is encouraging agencies to undertake pay equity audits and develop strategies that can be used to improve pay equity across salary levels.

Audit resources

The Department of Commerce has developed the Pay Equity Audit Tool to assist organisations to undertake a pay equity audit. The Pay Equity Audit Tool is an automated spreadsheet that aids in the data analysis process by creating tables and charts based on payroll data, showing gender pay gaps and other indicators such as the prevalence of flexible working arrangements. Using the tool streamlines the technical process of data analysis so that the organisation can instead focus on other aspects of a pay equity audit. The broader review process includes:

- analysing the results of the data analysis;
- assessing whether gender-based discrepancies found are justifiable or explainable;
- identifying areas for further investigation; and
- developing recommendations for corrective action.

The Pay Equity Audit Tool and its instructions for use are available to download at no cost at www.payequity.wa.gov.au

Common questions about pay equity audits in the public sector

How does pay equity integrate with an EEO management plan?

Each agency has to develop an EEO management plan in accordance with their statutory obligations under the *Equal Opportunity Act (1984)*. Strategies developed as a result of a pay equity audit can be integrated into the EEO Management Plan or pursued independently.



What is the difference between the gender pay gap and the equity index?

A pay equity audit will provide detailed information on the gender pay gaps within an organisation. The gender pay gap measures the actual salaries of women compared with men to identify pay gaps between women and men at each level and within occupational categories at each level and can help identify barriers to career progression throughout the organisation.

The Office of Equal Employment Opportunity (OEEO) calculates an Equity Index to determine how equitable the representation of women is at all levels of public sector agencies. The Equity Index measures the distribution of women across salary levels and factors in the number of women at each level. The OEEO report for each agency has a focus on increasing the number of women in senior management.

How do we get started?

Labour Relations at the Department of Commerce can assist agencies by providing guidance on how to conduct a pay equity audit. Contact Labour Relations on 08 9222 7700.

Agencies should gain support from the senior management in the organisation to undertake the pay equity audit and establish a committee or project team to complete the data analysis and develop recommendations. Some agencies have used their existing Equity and Diversity Committees.