

# Gender pay equity best practice guide



## Gender pay equity best practice guide

This best practice guide is for employers and managers. It explains why gender pay equity is important and how you can use best practice to support gender pay equity in your business.

It includes:

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It also has practical tips and case studies to help you move your business towards best practice.

### Working at best practice

Employers must pay all employees equally for work of equal or comparable value. Best practice employers understand the benefits of creating a culture that promotes gender pay equity.

Every workplace can enjoy the benefits of taking a best practice approach to gender pay equity. These may include:

- attracting quality staff
- better organisational performance
- retaining staff and reducing turnover costs
- meeting legal obligations and minimising legal risks
- accessing new markets
- building a reputation as an employer of choice.

### Gender pay equity

Workplaces achieve gender pay equity when all employees receive equal pay for work of equal or comparable value.

This means:

- employees doing the same work (or different work of equal or comparable value) get paid the same amount
- pay and conditions are assessed in a non-discriminatory way — valuing skills, responsibilities and working conditions in each job
- organisational structures and processes provide all staff equal access to training, promotions or flexible working arrangements.

## Legal requirements

### Workplace Gender Equality Act

Australian private sector employers with 100 or more employees must report to the Workplace Gender Equality Agency (WGEA) on Gender Equality Indicators each year by law.

The Gender Equality Indicators are:

- gender composition of the workforce
- gender composition of governing bodies of relevant employers
- equal remuneration between women and men
- availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities
- consultation with employees on issues concerning gender equality in the workplace
- sexual harassment, harassment on the ground of sex or discrimination
- any other matters specified by the Minister.

The employer also must inform employees, members, relevant employee organisations and shareholders they've lodged the report and give them access to a copy, excluding remuneration information.

Employees and relevant employee organisations can comment on the report to the employer or to WGEA.

Employers with over 500 employees must also meet certain minimum standards, including having a policy or strategy in certain areas, to support gender equality.

The Workplace Gender Equality Act also requires Commonwealth public sector employers that employ 100 or more employees in total to register for the Public Sector Reporting program and submit data annually.

For more information about reporting requirements visit WGEA's website at [wgea.gov.au](https://wgea.gov.au)

### Disclosing pay and workplace conditions

Transparency is an important tool in achieving gender pay equity. If employees don't know what other people are getting paid, they can't know if they're being paid equally for equal work.

Under the Fair Work Act (FW Act), employees have workplace rights to share or not share information about:

- their pay
- their employment terms and conditions that would be needed to work out their pay, such as their hours of work.

They also have the right to ask other employees (with the same or a different employer) about:

- their pay
- their employment terms and conditions that would be needed to work out their pay, such as their hours of work.

Employees can't be forced to give this information to another employee if they don't want to.

Employers can't take adverse action against an existing or future employee either:

- because of these rights, or
- to prevent an existing or future employee from exercising these rights.

For more information about these rights, including when these rights started applying and who they apply to, see Pay secrecy at [fairwork.gov.au/pay-secrecy](https://fairwork.gov.au/pay-secrecy)

### Anti-discrimination laws

Various state, territory and federal anti-discrimination laws make it unlawful for an employer to discriminate on the grounds of gender about the terms and conditions of employment offered or provided to employees (which includes pay and other benefits).

It's also unlawful under the FW Act to discriminate against an employee because of a protected attribute. This includes sex, sexual orientation, breastfeeding, gender identity, intersex status, marital status, family or carer's responsibilities, pregnancy, or because an employee is (or has been) experiencing family and domestic violence. For more information about what is protected from discrimination, visit Protections at work at [fairwork.gov.au/protections](https://fairwork.gov.au/protections)

You can also complete our free Diversity and discrimination online course at [fairwork.gov.au/learning](https://fairwork.gov.au/learning)

### Sexual harassment

Under the Sex Discrimination Act, organisations have a positive duty to eliminate, as far as possible, the following unlawful behaviour from occurring:

- discrimination on the ground of sex in a work context
- sexual harassment in connection with work
- sex-based harassment in connection with work
- conduct creating a workplace environment that is hostile on the ground of sex
- related acts of victimisation.

The Australian Human Rights Commission have a range of practical information and resources to help organisations meet their positive duty obligations. Visit their website at [humanrights.gov.au](https://humanrights.gov.au)

For more information about workplace sexual harassment, including links to resources on how to prevent and respond to reports of sexual harassment visit our Sexual harassment in the workplace page at [fairwork.gov.au/sexual-harassment](https://fairwork.gov.au/sexual-harassment)

### Equal remuneration orders

Under the FW Act, the Fair Work Commission (the Commission) can make an equal remuneration order, which requires certain employees be given equal remuneration for work of equal or comparable value.

An application for an equal remuneration order can be made by:

- an affected employee
- a union representing an employee
- the Sex Discrimination Commissioner.

The Commission can also make an equal remuneration order on its own initiative.

There are rules about what the Commission can, should, or should not take into account when considering whether to make an equal remuneration order. Once an equal remuneration order has been made, it will overrule a modern award, an enterprise agreement, a Fair Work Commission order or any other industrial instrument if its terms leave the affected employee better off overall.

For further information on equal remuneration orders visit the Commission's website at [fwc.gov.au](https://www.fwc.gov.au)

An employer that contravenes an equal remuneration order can face significant penalties.

From 1 January 2025, intentional underpayment of wages by an employer is a criminal offence. Find more information about criminal prosecution at [fairwork.gov.au/criminal](https://www.fairwork.gov.au/criminal)

## Using best practice to support gender pay equity

Best practice doesn't look the same for all employers. The way to achieve best practice will vary because of things like the number of employees, industry, and the business environment.

Below are initiatives and suggestions that can help you move your business towards best practice.

### Recognise inequality

Understanding and recognising inequality is the first step. There are 3 types of gender pay inequality typically seen in businesses:

1. **Like-for-like pay gaps** between employees who do work of equal or comparable value (comparing job-to-job at the same performance standard).



#### CASE STUDY — Like-for-like

Alana and Steven both apply for sales positions at the same company. They have similar levels of experience and past sales performance. Steven is successful and obtains a full-time position. Alana wants to work part-time and is successful for a part-time position. The company has decided to pay Alana a part-time salary at a lesser rate meaning if Alana was working full-time, she would be earning less than Steven.

This is gender pay inequality. Alana is earning less per hour than Steven, even though she's performing the same work at the same standard.

2. **By level pay gaps** between women and men who do the same or comparable work (comparing responsibilities, typically the same level in the organisation hierarchy).



#### CASE STUDY — By level

Johan, a geologist, and Maya, an engineer, both studied 3-year university degrees and have worked 5 years in their respective fields. They've recently been employed by the same mining company.

Maya manages 5 engineers. Johan manages 5 geologists. Looking at the skills, effort, responsibility and working conditions involved, their work requires comparable skills and responsibilities. However, Johan is paid a higher salary than Maya.

This could be an example of gender pay inequity, as Johan and Maya have similar skills and experience, are performing work of comparable value but are receiving different pay.

NOTE: There may be a valid reason for the difference in remuneration. This includes factors that are unaffected by gender (such as labour market supply and demand for geologists compared to engineers) and differences in industry working conditions (such as remote work).

3. **Organisation-wide pay gaps** are the difference between the average remuneration of women and the average remuneration of men across the organisation.



#### CASE STUDY — Organisation-wide

Lauren is a sales associate at a real estate company. While most people in the company have similar qualifications and experience, men are more readily promoted and are in higher paid management roles. Women and gender diverse people in the company are often overlooked for training and promotion, with many remaining in lower paid support roles.

The owner of the real estate company may be influenced by unconscious biases and gender stereotypes. The biases and stereotypes may be about women who want to start a family in the future, are pregnant, work part-time or have recently returned from maternity leave. These have led to women missing out on opportunities for promotion, being excluded from training and development or not taking on leadership roles.



## Review pay data and practices

Employers with less than 100 employees who want to adopt best practice should review their business pay data and practices.

WGEA recommends:

- creating a list of all employees and their annualised full-time equivalent remuneration amounts in a spreadsheet
- sorting the employees in the spreadsheet in order of remuneration (for example, highest to lowest remuneration)
- comparing the salary of employees in the same or comparable roles
- where there are differences, consider whether this is related to an employee's gender.

Discretionary pay practices like bonuses or fixing market-based starting salaries, can lead to inequitable pay differences. When setting these pay amounts think about whether the outcomes for men are better than for women (and vice versa). There might be some unintended bias in these decisions.



**PRACTICAL TIP:** WGEA provides a range of information and resources relating to equal pay for women and men. These can be found on their website at [wgea.gov.au](http://wgea.gov.au)

## Address any issues

If you've identified gender pay differences, you should address this by:

- ☐ correcting the pay differences in a one-off adjustment, by increasing the wage rates of the lower paid worker(s)
- ☐ identifying the underlying cause of the pay difference — for example, was it because you relied too much on the negotiating power of the individual concerned? Is it a systematic failure to properly value a particular role?
- ☐ addressing the underlying cause of the pay difference. This may involve training, reviewing policies, introduction of position descriptions or classifying wage levels.



### CASE STUDY — Pay review

A medium-sized technology company addresses the gender pay gap with annual pay reviews. These are conducted by a panel who investigate and adjust salaries to ensure equality.

## Introduce initiatives to improve gender equality

As well as meeting their obligations under legislation, best practice employers introduce initiatives that respond to the specific needs of their workplace. These employers identify areas where equal opportunity can be improved and implement policies and practices to achieve this.

For example, a best practice business might:

- put transparent remuneration policies and practices in place
- recognise and value skills within their business
- offer flexible working arrangements to all employees (such as part-time work and flexible hours) to encourage more women into the business
- make sure employees on flexible working arrangements have access to meaningful and quality work. This includes the same benefits, training and promotional opportunities as other employees
- support women to return to work after parental leave and take steps to minimise disruption to their career progress
- conduct an annual gender pay equity audit. If there are any issues or areas that can be improved, they would seek to address and eliminate them
- review overtime and shift arrangements to make sure access is provided equally to male and female employees. For example, a business shouldn't assume women don't want to work overtime or night shifts
- strive to meet the requirements of a WGEA Employer of Choice citation. Relevant employers can apply for the WGEA Employer of Choice for Gender Equality citation if they are compliant with the Workplace Gender Equality Act and meet all criteria, which includes conducting a gender pay gap analysis each year. Employers who are either not eligible to apply or who don't currently meet all the criteria, can still strive to meet the requirements of the citation. For more information visit the WGEA website at [wgea.gov.au](http://wgea.gov.au)



**PRACTICAL TIP:** Find out more about flexibility and balance in the workplace with our Flexible working arrangements best practice guide available at [fairwork.gov.au/bestpracticeguides](http://fairwork.gov.au/bestpracticeguides) and our free Workplace flexibility online course available at [fairwork.gov.au/learning](http://fairwork.gov.au/learning)

## Monitor and review

Once you've addressed any issues and implemented initiatives, continually monitor and review pay practices that can lead to gender-based pay inequities. This analysis should occur at least once a year.

Other times to consider gender pay differences include when:

- hiring new staff. Is a new employee paid more or less than others doing the same job? Are they expected to perform at a different level to your existing employees?
- allocating bonuses and pay rises.

When doing a pay review look at gender specific aspects of pay and the different roles within your organisation. Determine if you have any gaps so you can fix them.





**PRACTICAL TIP:** Our free Record-keeping and pay slips online course is a great way to help you stay on top of the salary and benefits information you need to record in your business. Visit [fairwork.gov.au/learning](https://fairwork.gov.au/learning)



#### **CASE STUDY — Identify and maintain pay equity**

A telecommunications company fixed like-for-like pay gaps by analysing employee duties and introducing initiatives to improve gender equality. Placing strong governance around salary decision making became an important aspect of the company's strategy to maintain pay equity.



## Best practice checklist

Gender equality and pay equity are separate but related. Improvements in one should lead to improvements in the other.

A best practice workplace involves more than just understanding and complying with the law. This checklist will help you work towards best practice in your business:

- ☐ **Flexible working arrangements** — providing flexible working arrangements can help all employees manage work-life balance and improve opportunities for progression and career satisfaction. For more information see our Flexible working arrangements best practice guide available from [fairwork.gov.au/bestpracticeguides](https://fairwork.gov.au/bestpracticeguides)
- ☐ **Gender balance** — consider gender balance within different roles, leadership, and business areas. Where does your business have the greatest imbalance between genders? What are the reasons for this? What can you do to even this out?
- ☐ **Recruitment and promotion** — consider skills, experience and qualities that are most relevant to the role. Focus on these, rather than a stereotype of the person who would normally do the job.
- ☐ **Talent pipeline** — tomorrow's leaders often come from people already in the business. Try to ensure there's a gender mix in the people identified for future progression and leadership.
- ☐ **Parental leave** — consider steps to minimise the disruption parental leave can cause to a person's career progress. For tips and strategies see our Parental leave best practice guide available from [fairwork.gov.au/bestpracticeguides](https://fairwork.gov.au/bestpracticeguides)
- ☐ **Employer of Choice for gender equality** — relevant employers can apply for the WGEA Employer of Choice for Gender Equality citation.

## ① Where to find more information

### Resources

- Our Online learning centre has a free training course on Diversity and discrimination. Visit [fairwork.gov.au/learning](https://fairwork.gov.au/learning)
- Our page on Protection from discrimination at work explains the legal basis of discrimination laws. Visit [fairwork.gov.au/discrimination](https://fairwork.gov.au/discrimination)

### Links

- Australian Human Rights Commission — for information about preventing discrimination, respecting human rights and promoting diversity in the workplace visit [humanrights.gov.au](https://humanrights.gov.au)
- Fair Work Commission — for information about bullying, sexual harassment, unfair dismissal and enterprise agreements visit [fwc.gov.au](https://fwc.gov.au)
- Workplace Gender Equality Agency — for information about promoting and improving gender equality in Australian workplaces visit [wgea.gov.au](https://wgea.gov.au)

### State & territory anti-discrimination bodies

- Australian Capital Territory Human Rights Commission  
[hrc.act.gov.au](https://hrc.act.gov.au)
- New South Wales Anti-Discrimination Board  
[antidiscrimination.nsw.gov.au](https://antidiscrimination.nsw.gov.au)
- Northern Territory Anti-Discrimination Commission  
[adc.nt.gov.au](https://adc.nt.gov.au)
- Queensland Human Rights Commission  
[qhrc.qld.gov.au](https://qhrc.qld.gov.au)
- South Australian Equal Opportunity Commission  
[eoc.sa.gov.au](https://eoc.sa.gov.au)
- Tasmania Office of the Anti-Discrimination Commissioner  
[antidiscrimination.tas.gov.au](https://antidiscrimination.tas.gov.au)
- Western Australian Equal Opportunity Commission  
[eoc.wa.gov.au](https://eoc.wa.gov.au)
- Victorian Equal Opportunity & Human Rights Commission  
[humanrights.vic.gov.au](https://humanrights.vic.gov.au)

## Contact us

Fair Work online: [fairwork.gov.au](https://fairwork.gov.au)

Fair Work Infoline: **13 13 94**

Need language help?

Contact the Translating and Interpreting Service (TIS)  
on **13 14 50**

### Help for people who are deaf or have hearing or speech difficulties

You can contact us through the National Relay Service (NRS).

Select your [preferred access option](#) and give our phone number: **13 13 94**

The Fair Work Ombudsman is committed to providing you with advice that you can rely on. The information contained in this fact sheet is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or a workplace relations professional.

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