

Mr Jason Lange
Executive Director
Office of Impact Analysis
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

By email only: Helpdesk-OIA@pmc.gov.au

Dear Mr Lange

Impact Assessment for Second Pass Final Assessment

I am writing in relation to the attached Impact Analysis (IA) prepared for the implementation of the *Workplace Gender Equality Act 2012* Review (the Review).

In the time available, I am satisfied that the IA addresses the concerns raised in your letter of 30 January 2023. Specifically, the following key changes have been made:

- Additional primary and secondary sources have been added to bolster arguments and evidentiary support.
- An explicit justification as to why policy options outside of the recommendations of the Review were not considered within the scope of this IA is now addressed in Chapter 5 and notes that by confining the next set of reforms to those recommended by the Review, and heavily consulted on with stakeholders, there is the maximum chance of success.
- Further analysis on the consequences of gender pay gap transparency has been considered particularly with regard to the UK outcomes and the shifts in global economic trends and the COVID-19 pandemic.
- A clear comparison table of the three policy options and the way they address the elements of the problem has been added to enhance readability.
- Further analysis of element 1 of the problem, including identifying the gaps existing in WGEA's dataset has been added noting the intersectionality lens enabled with expansion of the WGEA dataset under Recommendation 7.1.
- The Option 3 (the preferred option) regulatory costs have been amended to reflect the decision not to implement recommendation 7.2 (collection of non-binary data) to allow further consultation to take place. The new Option 3 costs are estimated to be a cost reduction from the status quo (Option 1) costs.
- Discussion regarding Option 1 benefits and the rate of acceleration of these benefit under Option 3 has been added, including comments noting that the rate of acceleration and the magnitude of the benefits are unknown.
- The importance and effectiveness of WGEA's publication of the gender pay gap compared to employer's voluntary publication is now evidenced by the extensive list of employers who fail to comply with WGEA's mandatory reporting every year.
- The key role of consultation in the development of the policy options and selection of Option 3 is considered further.
- The stakeholder feedback considered and the proposed ongoing consultation regarding partnerships and ANZSCO level 4 reporting is more detailed.
- The estimated legislative dates and the estimated timeline for the implementation of the recommendations under Option 3 is set out in more detail including private and public sector reporting periods.
- The scope of the independent evaluation has been enhanced with potential additional elements, including program logic, avenues for further research and the development of future policies.

The implementation of Option 3 (the preferred option) will have regulatory savings of \$124,709 per year from the regulatory costs of the status quo (Option 1). This will bring regulatory costs down per year from \$8.7 million to \$8.6 million.

Accordingly, I am satisfied that the IA is consistent with the six principles for Australian Government policy makers as specified in the Australian Government Guide to Impact Analysis.

I submit the IA to the Office of Impact Analysis for formal final assessment.

Yours sincerely



Lee Steel

A/g Deputy Secretary Social Policy

Department of the Prime Minister and Cabinet

31 January 2023