Australian Government

Workplace Gender Equality Agency

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GENDER EQUITY INSIGHTS 2018

INSIDE AUSTRALIA'S GENDER PAY GAP

BCEC | WGEA Gender Equity Series

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FOREWORD WGEA

As this report goes to press, Agency staff are gearing up to collect the fifth year of data under the Workplace Gender Equality Act's reporting framework.

It is a big job, collecting standardised gender equality information covering millions of employees from thousands of diverse workplaces and industries across the nation. There are months of work involved in supporting employers to report the correct information, checking and re-checking data, following up to correct errors and the analysing it for trends and insights.

We are mindful that reporting is a big job for employers too and we are so appreciative of the efforts they make to provide us with accurate information.

All this effort is paying off. With each year of data that we collect and publish, the immense value of Australia's unique gender equality dataset is revealed.

Our partnership with Bankwest Curtin Economic Centre to analyse Agency data for pay equity insights has already delivered some compelling insights about pay equity, including the relationships between gender balance around the board table and workforce pay equity.

However this year's analysis is for me the most exciting, drawing clear links between employer action on pay equity and lower pay gaps. Most importantly, it demonstrates the need for leadership accountability on closing pay gaps within organisations.

This report backs up with hard data what I have learned over years of talking to CEOs and senior executives - that is, that organisational gender pay gaps do not close themselves. They must be quantified, understood, acted upon, monitored and taken responsibility for at the most senior levels of our workplaces.

I hope this report is a call to action for boards and executive teams. Ask for your organisation's pay equity metrics and make it your business to improve them. Then keep doing it.

Thankyou to the BCEC team for another insightful report. I am confident that this valuable data-based evidence will continue to inform meaningful change well into the future.

Libby Lyons
Director, Workplace Gender Equality Agency

Workplace
Gender Equality
Agency

FOREWORD BCEC

The *BCEC|WGEA Gender Equity Insights* report series provides some of the most powerful analysis on gender pay gaps in Australia.

The findings in this third report offer some encouragement that Australian businesses are taking the issue of gender pay equity seriously, with far more seeking to measure pay differences and review remuneration policies and processes throughout their organisations.

Our latest report shows that gender pay gaps have narrowed over the last year, more so among the managerial workforce and particularly in relation to discretionary pay.

Some industries are leading the way in driving down gender pay gaps in their organisations, but others continue to lag behind.

So what can companies do to shift the dial towards greater gender equity in the workplace?

This third report provides some answers with a series of special investigations that explore the sorts of actions that companies can take to narrow the gender pay gaps that persist in their organisations.

Encouragingly, more companies than ever have undertaken a pay equity audit to better understand the nature and extent of gender pay inequality in their workplaces.

But pay equity audits alone are not enough to break the inertia.

Measurement combined with action and accountability is the trifecta that drives the strongest improvements in pay equity outcomes.

Actions do make a difference in promoting greater gender pay equity, but more so when outcomes are 'owned' by organisational leadership.

Australian companies need not only to commit to pay audits to address potential gender bias, but to follow through with actions around such policies to make a real difference to pay equity outcomes.

I hope the findings in this report will continue to inform policy discussions and implementation to drive organisational change and narrow the gender pay gap in Australia.

We very much value our partnership with the Workplace Gender Equality Agency to pursue the common goal of improving gender equality throughout Australia's workplaces.

Professor Alan Duncan
Director, Bankwest Curtin Economics Centre
Curtin Business School, Curtin University

EXECUTIVE SUMMARY

This third report in the *BCEC|WGEA Gender Equity Insights* series extends and strengthens the evidence base around gender pay gaps and how these have changed over time across Australian workplaces.

The report uses unique data reported to the WGEA, capturing 4 million employees and over 11,000 employers in the 2016-17 reporting period. It builds on the first and second in the series, with updated calculations of gender pay gaps across occupations and industries.

Importantly, it highlights the nature and impact of workplace pay equity policies and actions in addressing these gaps.

Encouragingly, more Australian employers than ever before are taking pay equity seriously.

In the four years of WGEA reporting, employers with a formal remuneration policy or strategy increased by 10 percentage points – from 48.9% in 2013-14 to 58.5% in 2016-17. Simultaneously, the proportion of employers undertaking a pay gap analysis increased from 24.0% to 37.7% in the same period.

Our findings demonstrate a strong and convincing relationship between pay gap audits within an organisation, and importantly, taking action on audit findings, in reducing gender pay gaps.

We also find that pay equity actions work better in combination than in isolation. An organisational commitment to correct like-for-like pay gaps are three times as effective in reducing overall gender pay gaps when the action is combined with a commitment to report pay outcomes to the Executive or company Board.

This report confirms that many Australian organisations are taking positive, discernable and significant steps towards pay equity. These results should motivate further action and change across other Australian workplaces.

Key findings

More organisations taking pay equity seriously

More Australian employers than ever before are taking pay equity seriously, with increases in organisations with both policies and actions related to gender pay gaps.

In the four years of WGEA reporting, employers with a formal remuneration policy or strategy increased by 10 percentage points – from 48.9% in 2013-14 to 58.5% in 2016-17. Simultaneously, the proportion of employers undertaking a pay gap analysis increased from 24.0% to 37.7% in the same period.

A re-balancing among top-tier managers' salaries

There seems to have been a re-balancing in salaries between male and female workers that is the root cause of large gender pay gaps, especially among top-tier managers. This re-balancing has seen male top-tier managers' salaries decrease by almost $4,000 on average and female top-tier managers' salaries increase by around $24,000 on average for those organisations that undertook a pay gap audit and took action to remedy the results. This represents an average reduction in the gender pay gap of around 5 percentage points for top-tier managers in these organisations.

Large adjustments in discretionary pay, mostly paid at the top level of organisations, demonstrates the value of analysing pay gaps and taking action as an important step towards narrowing the gender pay gap. This recalibration of salaries at the top echelons is starting to bring men's and women's salaries more into line, and is driving a greater degree of fairness in company remuneration policy.

Reporting gender pay gap audits to leadership critical in driving down gender pay gaps

One of the most common actions among firms that undertook a gender pay gap analysis is to report these results to the Executive. More than 1 in 4 organisations that undertook a pay gap analysis in 2016-17 reported their findings to the Executive, and 13.9% reported on pay gaps at Board level.

Combining pay equity actions with accountability at leadership level has proved to be a powerful approach for many companies. Companies that take actions to correct like-for-like gender pay gaps, combined with a commitment to reporting pay gaps at Executive and Board level, saw a reduction in their organisation-wide gender pay gap by an average of 3.3 percentage points in the last year alone.

Pay equity actions are more effective in combination than in isolation

Improved gender pay outcomes are far stronger for companies that combine specific pay equity actions, reinforcing the effectiveness of those actions with accountability through reporting to company Executives and Boards.

Actions to correct like-for-like gender pay gaps are three times as effective in reducing overall pay inequities when combined with reporting to Executives and Boards.

For managers, the power of combined actions is even more apparent. Managerial gender gaps in total remuneration fell by nearly 13 percentage points between 2015-16 and 2016-17 for companies that combined actions to correct like-for-like pay gaps with accountability at Executive and Board level. Actions to review performance pay processes are also far more effective when combined with reporting to Executives and Boards, with managerial gender pay gaps in total remuneration falling by 7.3 percentage points between 2015-16 and 2016-17.

Mining and finance leads by example

Mining companies offer relatively high rates of discretionary pay of up to 39% above base salary for managers, yet retain low gender pay gaps in total remuneration of 7.4% in 2016-17. Mining also continues to perform well in driving down gender pay gaps. Mining firms reduced the overall gender pay gap in base salaries by 2.1 percentage points between 2015-16 and 2016-17, and in total remuneration by 1.6 percentage points, once compositional differences between Mining and other industry sectors have been accounted for.

Almost two-thirds of organisations in the Finance and Insurance and Mining sectors undertook a pay equity audit in 2016-17, compared to an industry-wide average of around 38%. This commitment to drive greater gender pay equity is bearing fruit. Finance and Insurance companies reduced the average gender pay gap in total salaries between 2015-16 and 2016-17, from 29.9% to 28.5%.

INTRODUCTION

In 2012, the Australian Government legislated the Workplace Gender Equality Act. The primary objective of this strengthened legislation is to promote and improve gender equality across Australia's workplaces.

Under the Act, organisations are required to report annually against six gender equality indicators, including representation of women in leadership positions, equal remuneration between men and women and policies and actions they are taking in respect of these gender equality indicators. This year will mark the fifth reporting year in the data collection's history, with the first reports delivered in the 2013-14 financial year.

The Act has resulted in the collection of a unique and extensive data set, which effectively represents an annual Census of all private businesses that have 100 or more employees. The latest Workplace Gender Equality Agency (WGEA) data collection covers over 11,000 Australian organisations and captures more than 4 million employees – which equates to approximately 40% of the Australian workforce.

Drawing on this unique dataset, the Bankwest Curtin Economics Centre (BCEC) and WGEA have entered into an important partnership to enable new insights into gender pay gaps across Australia. This report represents the third publication in the *BCEC|WGEA Gender Equity Insights* report series.

It builds on important findings presented in the first and second reports, which uncovered a measurable link between increased gender diversity on governing Boards and in senior leadership positions and lower pay gaps. Our first report found that if the share of women on Boards increased from zero to 50:50, a 6.3 percentage point reduction in the gender pay gap for full-time managers can be observed. The second report went a step further to reveal that organisations that improved the gender balance of their Executive and leadership teams over time, saw the biggest decline in their organisation-wide gender pay gap.

Gender Equity Insights 2018: Inside Australia's Gender Pay Gap extends and strengthens the evidence base around gender pay gaps and how these have changed over time across Australian workplaces. The report profiles gender pay gaps across occupations and industry sectors and highlights the nature and impact of workplace pay equity policies and actions in addressing these gaps.

For the first time, a comprehensive Special Investigation into Policies, Actions and Outcomes is included, delivering new insights into the connection between policies and actions taken by organisations to address gender pay gaps and the subsequent outcomes.

These Special Investigations examine the progress that has been made in workplaces across Australia in implementing policies and actions that seek to address gender pay gaps. We look at how progress compares across industry sectors and occupations. And importantly, we uncover which actions or combinations of actions are likely to be more effective in narrowing gender pay gaps. The results provide practical steps that firms can take to improve gender equality within their own workplaces.

THE BIG PICTURE

THE BIG PICTURE

Workforce changes

The number of men employed on a full-time basis, fell by 1.8% between 2015-16 and 2016-17, equivalent to over 25,000 employees.

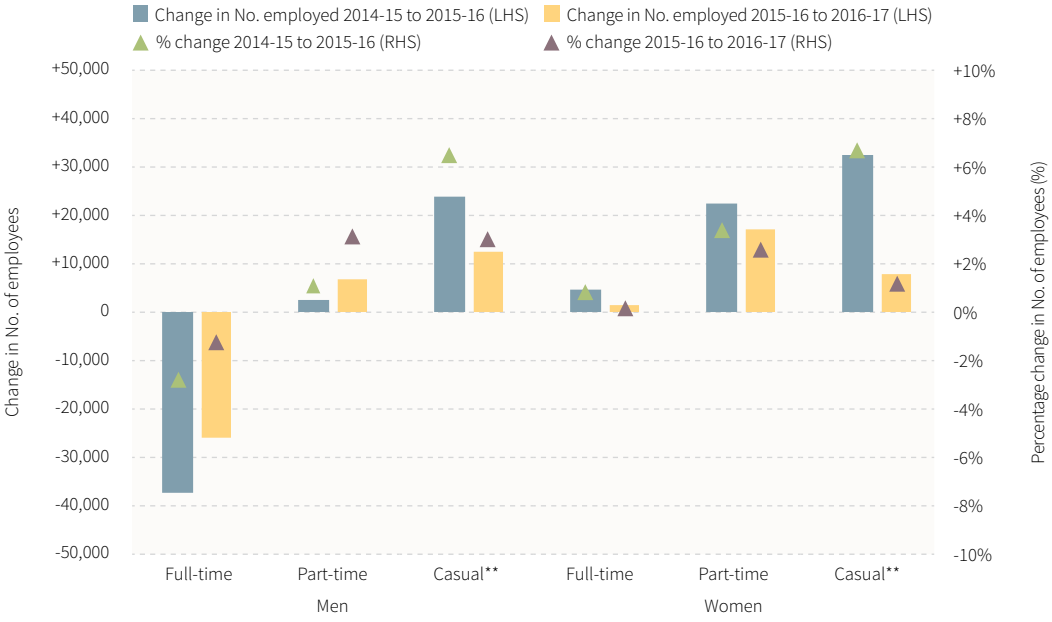
The WGEA reporting data captures over 4 million employees, representing around 40% of the total Australian Labour market. Notwithstanding the scope of the WGEA data collection, the sheer volume of employees included in the reporting framework provides a powerful, current indicator of the overall health or otherwise of the Australian labour market.

Over the course of 2016 and early 2017 full-time employment deteriorated, particularly among men, and part-time employment became one of the strongest contributors to labour market growth (ABS 2018). These trends have also been captured within the WGEA reporting data, which covers the period from the 1 April 2016 to 31st March 2017.

According to the WGEA reporting data, the number of men employed on a full-time basis, fell by 1.8% between the 2015-16 and 2016-17 reporting years, equivalent to around 25,000 employees. This represents a smaller decrease compared to the percentage change observed between the 2014-15 and 2015-16 reporting periods. During this period, the proportion of men employed on a full-time basis fell by 2.6%.

FIGURE 1

Change in number of employees by employment status, 2014-15 to 2016-17



Note: **The growth in casual employment is somewhat driven by continued improvement in reporting by labour supply organisations that more accurately captures temporary and casual employees.
Source: WGEA Gender Equality data 2015-16 and 2016-17.

The decline in the number and proportion of men working full-time has been partially off-set by an increase in casual or part-time work. The number of men working on a part-time basis increased by around 6,700 employees, and casual male employees grew by just over 12,000 workers between 2015-16 and 2016-17. Proportionately, the increase in part-time workers is smaller compared to the change observed between 2014-15 and 2015-16. However, among casual workers, the change represents an increase of 6.1% between 2015-16 and 2016-17, compared to an increase of 3.0% between 2014-15 and 2015-16.

The continued pattern of increases in both the number and proportion of casual employees – those who work on an irregular schedule, with little or no expectations of the continuation of work or guaranteed income – is evident in the 2016-17 WGEA reporting data.

This pattern is largely driven by continued improvements in reporting by labour supply organisations that are located within the Administrative and Support Services sector. Underlying changes in the labour market are also likely to be partially driving these trends, with more workers employed temporarily, having no guarantee of continued work.

Men working full-time in Mining fell by more than 11,000 workers, representing a 9.1% decrease.

Changes in the number and proportion of workers across employment statuses and industry sectors provide additional insights into how the labour force captured through the WGEA reporting data has transformed (Table 1).

Mining has continued to experience a decline in the number of workers employed full-time as the sector re-calibrates, transitioning from a construction phase towards production (Cassells, Duncan & Kiely 2017). The number of men working full-time in Mining fell by more than 11,000 workers, representing a 9.1% decrease. Female full-time workers also declined by similar proportions (-7.7%) but fewer absolute numbers – 1,588. Meanwhile, part-time and casual employment in the sector has grown across this period for both men and women.

Manufacturing has seen similar workforce changes to the Mining sector, with full-time employment among men and women slumping and part-time and casual work on the rise. The exception is among women employed on a casual basis in the sector, which saw a reduction of over 1,100 workers – almost a 10% drop.

TABLE 1

Change in number and percentage of employees by industry, employment status and gender, 2015-16 to 2016-17

Industry	Men						Women					
	Full-time		Part-time		Casual**		Full-time		Part-time		Casual**	
Agriculture, Forestry and Fishing	-117	(-1.1%)	+17	(+6.1%)	-19	(-0.3%)	+82	(+2.1%)	+43	(+6.3%)	+204	(+3.9%)
Mining	-11,071	(-9.1%)	+163	(+22.9%)	+231	(+8.0%)	-1,588	(-7.7%)	+4	(+0.2%)	+31	(+5.2%)
Manufacturing	-6,385	(-2.7%)	+1,004	(+30.7%)	+1,240	(+8.5%)	-2,069	(-3.0%)	+388	(+3.4%)	-1,105	(-9.9%)
Electricity, Gas, Water and Waste Services	-2,054	(-6.6%)	-62	(-14.7%)	+1,016	(+64.6%)	-681	(-7.5%)	-183	(-10.0%)	+127	(+63.2%)
Construction	+384	(+0.4%)	+827	(+118.1%)	+676	(+7.8%)	+1,266	(+8.9%)	+325	(+12.5%)	+333	(+18.8%)
Wholesale Trade	+2,277	(+3.7%)	-267	(-10.0%)	+303	(+5.0%)	+1,318	(+5.0%)	+561	(+8.4%)	+644	(+8.1%)
Retail Trade	-2,704	(-2.3%)	-1,769	(-2.3%)	-1,038	(-1.2%)	-2,785	(-2.8%)	-3,652	(-2.4%)	-3,631	(-2.5%)
Accommodation and Food Services	+330	(+1.2%)	+294	(+1.5%)	+4,157	(+9.6%)	+198	(+0.8%)	+637	(+2.4%)	+6,671	(+13.9%)
Transport, Postal and Warehousing	-4,083	(-3.5%)	+995	(+10.5%)	-296	(-1.4%)	-1,151	(-3.3%)	+874	(+8.8%)	+71	(+1.0%)
Information Media and Telecommunications	-188	(-0.3%)	+319	(+9.5%)	-1,152	(-14.2%)	-1,176	(-3.3%)	-117	(-1.4%)	-666	(-8.9%)
Financial and Insurance Services	+60	(+0.1%)	+275	(+5.7%)	-28	(-1.7%)	-831	(-0.8%)	-299	(-0.7%)	-346	(-9.5%)
Rental, Hiring and Real Estate Services	-148	(-0.7%)	-6	(-1.2%)	+997	(+39.2%)	-128	(-1.0%)	-369	(-12.7%)	+485	(+21.1%)
Professional, Scientific and Technical Services	-1,435	(-1.0%)	-617	(-13.4%)	-6,990	(-30.0%)	+1,048	(+1.4%)	-1,067	(-5.3%)	-4,600	(-24.8%)
Administrative and Support Services	+3,094	(+7.4%)	+3,347	(+24.4%)	+12,086	(+16.2%)	+5,618	(+19.0%)	+5,272	(+25.0%)	+7,089	(+14.2%)
Public Administration and Safety	-3,738	(-22.3%)	-654	(-24.7%)	-1,258	(-30.4%)	-523	(-15.3%)	-428	(-29.9%)	-248	(-21.1%)
Education and Training	-4,299	(-4.9%)	+140	(+1.0%)	+2,203	(+4.5%)	-2,572	(-2.4%)	-820	(-1.2%)	-409	(-0.5%)
Health Care and Social Assistance	+2,044	(+4.4%)	+2,461	(+5.7%)	+2,057	(+7.5%)	+4,413	(+4.0%)	+15,360	(+6.1%)	+6,508	(+6.0%)
Arts and Recreation Services	-474	(-2.4%)	+84	(+1.3%)	-3,285	(-15.3%)	+206	(+1.9%)	-69	(-0.8%)	-3,968	(-14.2%)
Other Services	+2,899	(+12.3%)	+146	(+5.5%)	+1,372	(+26.7%)	+913	(+6.6%)	+400	(+6.7%)	+433	(+10.4%)
Total	-25,608	(-1.8%)	+6,697	(+3.2%)	+12,272	(+3.0%)	+1,558	(+0.2%)	+16,860	(+2.6%)	+7,623	(+1.4%)

Note: **The growth in casual employment is somewhat driven by continued improvement in reporting by labour supply organisations that more accurately captures temporary and casual employees.
Source: WGEA Gender Equality data 2015-16 and 2016-17.

Administrative and Support Services, which employs around a quarter of a million workers (see Appendix Table A1) has seen strong growth in both the number and proportion of workers across all employment statuses and for both genders between 2015-16 and 2016-17. An additional 36,000 workers were captured in the WGEA reporting data for this sector. This change is largely driven by an improvement in reporting among labour hire firms.

FULL-TIME WORKERS

FULL-TIME WORKERS

Within the WGEA reporting data, the absolute number of full-time workers continued to fall between the 2015-16 and 2016-17 reporting periods. This change was largely driven by the decrease in male full-time employment and reflects overall patterns in the labour market during this time, as captured by the ABS Labour Force Survey.

Between the last two reporting periods, the number of men working full-time has fallen by around 25,000 workers, representing a decrease of 1.8%. Among women, however, full-time employees within the WGEA reporting data has increased marginally by around 1,500 workers (+0.2%).

Despite these changes, men still dominate full-time employment, making up close to two thirds of all full-time employees.

This gender difference in full-time employees is linked to a number of factors. Most significantly, the different roles men and women play when it comes to work and family. While women are increasingly more likely to be the main breadwinner in the family, women still take on the biggest share of caring, which significantly limits their access to full-time work (Cassells, Gong & Duncan 2011).

Not only are women under-represented in full-time work, there are also important differences in the types of full-time work women and men do. Clerical and administrative workers are significantly more likely to be women – constituting around 70% of all full-time employees. On the other hand, occupations such as machinery operators and drivers and technicians and trade works are heavily male-dominated. Men are also over-represented in full-time management positions, particularly top-tier managers in the Executive suite. Greater balance of men and women in full-time professional occupations exists, with women making up 43% of all full-time employees.

FULL-TIME GENDER PAY GAPS

Among full-time workers, the gender pay gap currently stands at 17.3% for base salary, representing a marginal decrease compared to the year before and some 1.7 percentage points lower than two years earlier. The full-time gender pay gap for total remuneration has also decreased between 2015-16 and 2016-17, from 23.1% to 22.4%.

Men working full-time earn on average an additional $26,469 each year than women that work full-time.

The annual difference in salary for men and women working full-time has narrowed to $16,165 (base) and $26,469 (total remuneration). These broad measures often hide the considerable variation that exists at a more granular level. The full-time gender pay gap across different occupations and industries is explored in the following sections.

Occupations

The gender pay gap typically increases with occupational hierarchy. Higher status occupations in management will often be accompanied by a wider gender pay gap, whereas non-managerial positions typically coincide with narrower gender pay gaps.

Women employed full-time as top-tier managers can expect to earn almost 25% less than men – an annual difference of over $88,000 in total remuneration.

Among managers, the gender pay gap is the widest for top-tier managers (Key Management Personnel). Women employed full-time as a top-tier manager can expect to earn almost 25% less than their male counterparts – an annual difference of just over $88,000 in total remuneration (Table 2 and Figure 2).

Female Executives[1] are currently paid on average $39,000 less than male executives annually – this increases to $73,500 when taking into account additional remuneration such as bonuses and other discretionary pay – a difference of nearly double that observed at base level.

The lowest base salary gender pay gap for full-time workers is among the community and personal service, and clerical and administrative occupations; 6.7% and 6.5% respectively. Both occupation categories are dominated by women, and are relatively low paying.

Women working as technicians or trade workers receive around $17,000 less than men employed in these occupations, with this gap increasing to $28,000 when taking into account total remuneration beyond the base salary. The additional total remuneration men are able to access when working full-time in this field is likely to be related to greater access to overtime and occupation-specific allowances.

Women employed full-time as technicians and trade-workers can expect to earn almost 25% less men – an annual difference of over $28,000 in total remuneration.

1 Executive refers to 'Other Executives and General Managers'. See Glossary and Technical Notes for further detail.

TABLE 2

Gender pay gap within occupation levels for full-time workers, base and total, 2014-15 to 2016-17

Occupation Class	Base Salary		Total Salary		Base GPG			Total GPG		
	Women	Men	Women	Men	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Managers										
Key Management Personnel	$206,967	$259,431	$270,160	$358,437	23.8%	21.5%	20.2%	28.8%	26.5%	24.6%
Executive	$183,731	$222,794	$235,651	$309,194	19.6%	18.1%	17.5%	25.0%	24.5%	23.8%
Senior Manager	$141,457	$169,517	$174,513	$220,537	18.5%	16.8%	16.6%	22.8%	21.5%	20.9%
Other Manager	$95,095	$118,379	$113,572	$147,289	21.4%	20.6%	19.7%	24.2%	23.7%	22.9%
Non-managers										
Professionals	$88,243	$106,329	$103,343	$128,173	18.8%	17.4%	17.0%	21.2%	19.7%	19.4%
Technicians and Trades Workers	$64,374	$81,196	$76,943	$105,024	18.8%	20.6%	20.7%	24.6%	27.1%	26.7%
Community and Personal Service Workers	$55,150	$59,022	$64,062	$70,423	8.7%	6.7%	6.6%	9.4%	10.9%	9.0%
Clerical and Administrative Workers	$61,514	$65,816	$70,310	$76,783	6.7%	6.9%	6.5%	8.3%	8.8%	8.4%
Sales Workers	$55,156	$66,896	$68,221	$89,607	17.5%	17.1%	17.6%	22.2%	23.5%	23.9%
Machinery Operators and Drivers	$62,933	$70,950	$80,849	$95,033	11.0%	12.5%	11.3%	12.8%	16.1%	14.9%
Labourers	$47,047	$57,772	$55,454	$70,314	15.9%	14.6%	18.6%	21.2%	17.2%	21.1%
All										
Managers	$115,222	$149,094	$140,815	$193,027	24.7%	23.4%	22.7%	28.7%	27.8%	27.1%
Non-managers	$70,218	$82,052	$82,514	$102,761	15.8%	14.5%	14.4%	20.9%	20.2%	19.7%
All occupation classes	$77,462	$93,627	$91,903	$118,372	19.0%	17.7%	17.3%	23.9%	23.1%	22.4%

Note: "Executive" is used in this report as shorthand for the grouping `Other Executives and General Managers'. They hold primary responsibility for the equivalent of a department or business unit. In a large organisation they might not participate in organisation-wide decisions with the CEO. Managers comprise of all occupations from Other Manager to Key Management Personnel. See Glossary and Technical Notes for further information about the occupation classifications.
Source: WGEA Gender Equality data 2014-15, 2015-16 and 2016-17.

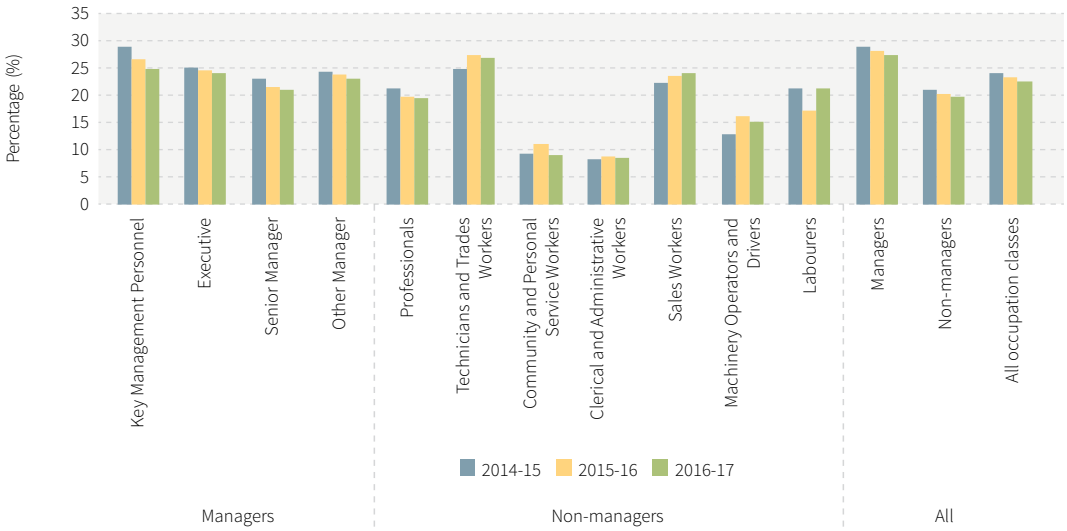
The gender pay gap has narrowed across every managerial occupation in the three years to 2016-17.

The gender pay gap has narrowed across every managerial occupation in the three years to 2016-17. The biggest improvement has been among top-tier managers (Key Management Personnel), where the gap fell by 4.1 percentage points between 2014-15 and 2016-17 (Figure 2). Professional employees have also seen a narrowing in the gender pay gap in the last three years, from 21.2 to 19.4%.

Among the non-managerial occupations there are mixed patterns. The full-time total remuneration gender pay gap among technicians and trade workers has risen overall between 2014-15 and 2016-17, from 24.6 to 26.7%. However, in the most recent period it has narrowed slightly. Clerical and administrative workers have seen little change in the full-time gender pay gap over the last three years, with the full-time total remuneration gap currently at 8.4%. Sales workers have seen a slight increase in the full-time gender pay gap, from 22.2 to 23.9% in the three years to 2016-17. The full-time gender pay gap among machinery operators and drivers widened between 2014-15 and 2015-16, but has since narrowed and currently stands at 14.9%. Like clerical and administrative workers, the full-time gender pay gap for community and personal service workers is relatively narrow (9.0%). The total remuneration gap among these workers has decreased between 2015-16 and 2016-17 by 1.9 percentage points. The gender pay gap among the male dominated labourers occupation has increased between 2015-16 and 2016-17 and stands at 21.1% when taking into account total remuneration.

FIGURE 2

Full-time gender pay gap among occupations – total remuneration, 2014-15 to 2016-17



Note: See Glossary and Technical Notes for further information about the occupation classifications.
Source: WGEA Gender Equality data 2014-15, 2015-16 and 2016-17.

Industries

Among the 19 major industry classifications, half have seen their gender pay gap measured on base salary narrow between 2015-16 and 2016-17, and the other half widen (Table 3). Most movements have been relatively subtle, however some industries have seen bigger shifts between the two years.

The Financial and Insurance Services sector has continued to retain first position for the highest gender pay gap despite an improvement between 2015-16 and 2016-17.

The Financial and Insurance Services sector has retained first position for the highest gender pay gap when measured on both base and total salary basis, despite the pay gap falling by around 1.5 percentage points between 2015-16 and 2016-17 (Table 3 and Table 4).

The pay gap declined on both base and total salary measures, yet women employed full-time in Finance and Insurance Services can expect to earn around $50,000 less than their male counterparts when taking into account additional pay beyond the base salary.

Agriculture, Forestry and Fishing has moved from seventh to second place in its full-time base salary gender pay gap and to 4th place for total salary, also from seventh position.

TABLE 3

Full-time gender pay gap among industries – base salary, 2015-16 to 2016-17

Industry	2015-16		2016-17		GPG		GPG rank		Change
	Women	Men	Women	Men	2015-16	2016-17	2015-16	2016-17	
Financial and Insurance Services	84,593 5	114,204 2	87,882 5	116,141 2	25.9%	24.3%	1	1	0
Agriculture, Forestry and Fishing	62,034 16	76,461 14	61,740 16	78,719 14	18.9%	21.6%	7	2	5
Construction	78,709 8	101,704 5	79,598 8	101,447 7	22.6%	21.5%	2	3	-1
Professional, Scientific and Technical Services	85,088 4	109,024 3	88,118 4	112,194 3	22.0%	21.5%	3	4	-1
Rental, Hiring and Real Estate Services	78,960 7	100,412 6	81,373 7	102,863 6	21.4%	20.9%	4	5	-1
Arts and Recreation Services	66,839 15	83,787 9	69,583 14	86,738 10	20.2%	19.8%	5	6	-1
Information Media and Telecommunications	80,938 6	100,321 7	83,832 6	104,175 5	19.3%	19.5%	6	7	-1
Transport, Postal and Warehousing	67,863 14	82,580 10	71,552 12	87,788 9	17.8%	18.5%	8	8	0
Health Care and Social Assistance	69,639 12	80,642 11	72,071 10	84,336 11	13.6%	14.5%	9	9	0
Administrative and Support Services	60,863 17	69,131 17	59,144 17	68,862 17	12.0%	14.1%	12	10	2
Electricity, Gas, Water and Waste Services	88,382 3	102,079 4	91,405 3	104,699 4	13.4%	12.7%	10	11	-1
Other Services	68,472 13	75,506 15	69,050 15	78,905 13	9.3%	12.5%	17	12	5
Retail Trade	56,332 19	63,846 19	58,774 18	66,374 18	11.8%	11.4%	13	13	0
Mining	104,246 1	119,427 1	106,853 1	120,439 1	12.7%	11.3%	11	14	-3
Accommodation and Food Services	59,830 18	66,744 18	56,999 19	64,023 19	10.4%	11.0%	15	15	0
Manufacturing	71,534 10	80,345 12	73,855 9	82,415 12	11.0%	10.4%	14	16	-2
Education and Training	88,853 2	95,902 8	92,242 2	100,977 8	7.4%	8.7%	18	17	1
Public Administration and Safety	71,633 9	79,202 13	70,619 13	76,160 16	9.6%	7.3%	16	18	-2
Wholesale Trade	70,089 11	74,840 16	71,991 11	76,836 15	6.3%	6.3%	19	19	0
All Industries	75,276	91,472	77,462	93,627	17.7%	17.3%			

Source: WGEA Gender Equality data 2015-16 and 2016-17.

Men and women working in the Mining sector continue to have the highest average salaries.

While Mining remains the highest paying industry for both men and women, it has descended three places from 11th to 14th on both base and total salary measures. The base salary gender pay gap among full-time workers decreased from 12.7 to 11.3% and total salary gender pay gap from 15.8 to 14.7% between 2015-16 and 2016-17. Men working in this industry can expect to earn on average almost $165,000 each year in total pay, whereas women's average annual earning are around $139,000 (Table 4).

Women working full-time in the Rental, Hiring and Real Estate sector earn 31.4% less than men – an average difference of $45,000 each year.

Within the Rental, Hiring and Real Estate sector the gender pay gap has narrowed marginally when measured on base salary, however when taking into account total pay the gap has widened over time from 29.3 to 31.4%. Women working in this sector can expect to earn on average $98,000 each year, whereas their male counterparts will access average total salaries of $143,000 - some $45,000 extra each year.

TABLE 4

Full-time gender pay gap among industries – total remuneration, 2015-16 and 2016-17

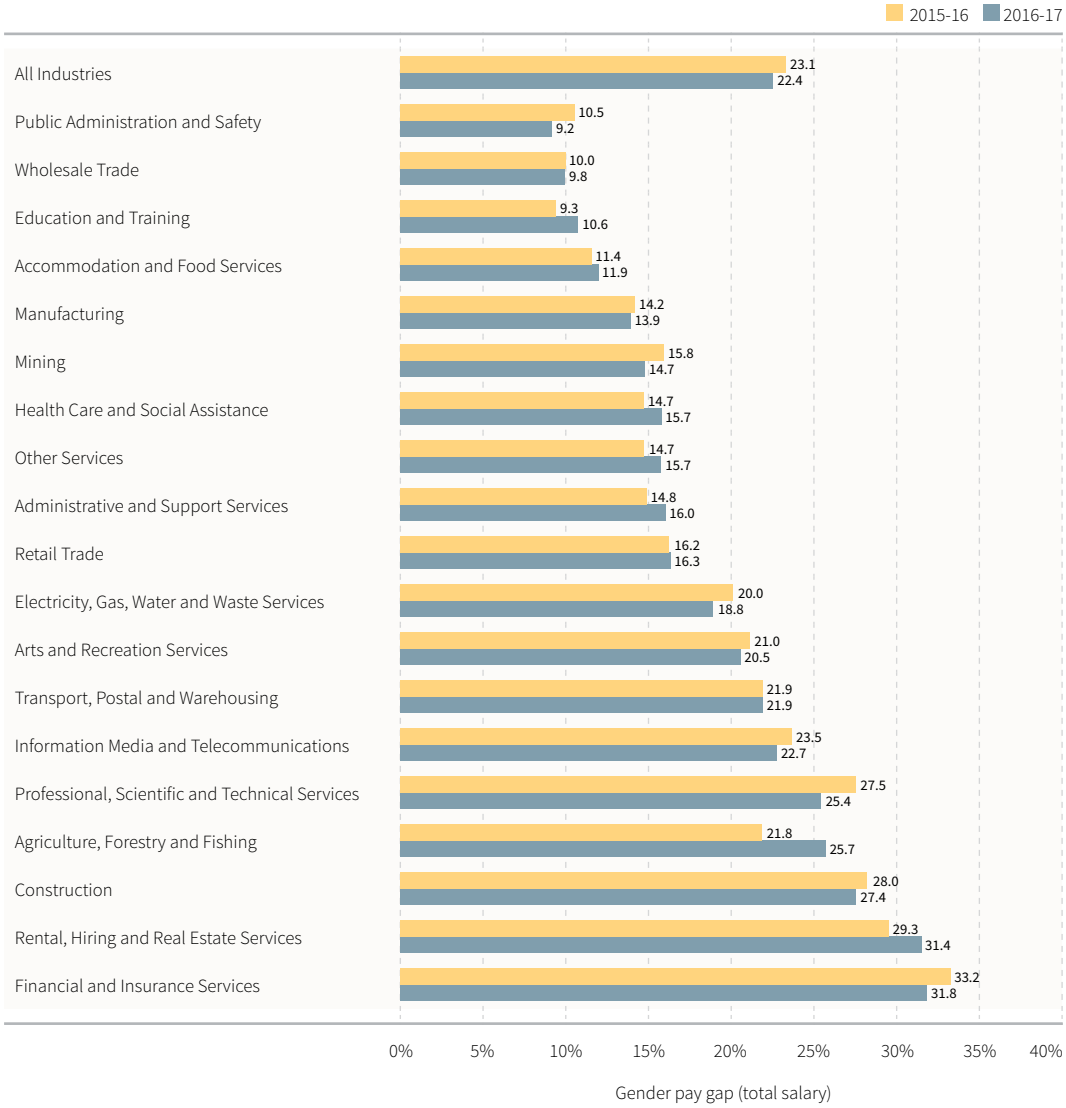
Industry	2015-16		2016-17		GPG		GPG rank		Change
	Women	Men	Women	Men	2015-16	2016-17	2015-16	2016-17	
Financial and Insurance Services	105,438 3	157,794 2	108,723 3	159,323 2	33.2%	31.8%	1	1	0
Rental, Hiring and Real Estate Services	92,735 7	131,220 5	97,834 7	142,666 3	29.3%	31.4%	2	2	0
Construction	91,811 8	127,592 6	92,792 8	127,848 7	28.0%	27.4%	3	3	0
Agriculture, Forestry and Fishing	70,808 16	90,536 16	71,484 16	96,186 14	21.8%	25.7%	7	4	3
Professional, Scientific and Technical Services	98,154 5	135,399 3	100,975 6	135,279 5	27.5%	25.4%	4	5	-1
Information Media and Telecommunications	97,054 6	126,885 7	102,506 5	132,595 6	23.5%	22.7%	5	6	-1
Transport, Postal and Warehousing	82,468 11	105,582 9	87,833 11	112,401 9	21.9%	21.9%	6	7	-1
Arts and Recreation Services	74,824 15	94,757 12	78,224 15	98,392 12	21.0%	20.5%	8	8	0
Electricity, Gas, Water and Waste Services	106,100 2	132,674 4	109,934 2	135,323 4	20.0%	18.8%	9	9	0
Retail Trade	65,865 19	78,589 18	69,087 18	82,570 18	16.2%	16.3%	10	10	0
Administrative and Support Services	70,183 17	82,414 17	70,554 17	83,990 17	14.8%	16.0%	12	11	1
Other Services	78,869 14	92,507 14	79,848 14	94,691 15	14.7%	15.7%	13	12	1
Health Care and Social Assistance	80,026 13	93,830 13	83,099 12	98,535 11	14.7%	15.7%	14	13	1
Mining	139,053 1	165,148 1	140,905 1	165,133 1	15.8%	14.7%	11	14	-3
Manufacturing	85,629 9	99,752 10	88,247 10	102,436 10	14.2%	13.9%	15	15	0
Accommodation and Food Services	69,496 18	78,464 19	65,921 19	74,851 19	11.4%	11.9%	16	16	0
Education and Training	102,383 4	112,936 8	106,252 4	118,820 8	9.3%	10.6%	19	17	2
Wholesale Trade	85,508 10	94,980 11	88,251 9	97,890 13	10.0%	9.8%	18	18	0
Public Administration and Safety	81,943 12	91,568 15	82,371 13	90,704 16	10.5%	9.2%	17	19	-2
All Industries	89,226	116,009	91,903	118,372	23.1%	22.4%			

Source: WGEA Gender Equality data 2015-16 and 2016-17.

The gender pay gap on a total salary measure has declined the most in the Professional, Scientific and Technical Services sector (Figure 3). This sector has seen the full-time pay gap fall by over two percentage points from 27.5 to 25.4%. At the same time, the gender pay gap has widened for almost half of the 19 industries when measured on total salary. The biggest widening in the pay gap is among workers in the Agriculture sector (+3.1%) followed by Real Estate (+2.1%). Very little change in the gender pay gap can be seen in the Retail Trade and Accommodation and Food Services sector over time.

FIGURE 3

Full-time gender pay gap among industries – total remuneration, 2015-16 to 2016-17



Source: WGEA Gender Equality data 2015-16 and 2016-17.

PART-TIME WORKERS

PART-TIME WORKERS

Part-time work has become a more common form of employment in Australia, driven by both demand and supply-side factors. On the supply-side, more workers are preferring part-time work to combine other activities and responsibilities that they may have such as studying and raising a family. And workers are also using part-time work as a retirement transition pathway. On the demand-side, the changing composition of our labour market is driving an increase in part-time work, with employers using part-time workers to gain greater flexibility and productivity in their organisation and to balance economic downturns.

An additional 23,000 part-time workers were captured in 2016-17 compared to 2015-16.

Women are more likely to work part-time than men, however part-time work is also becoming more common for the male workforce. Within the WGEA reporting data, part-time employment for both men and women has continued to increase between 2015-16 and 2016-17. An additional 23,000 part-time workers were captured in 2016-17 compared to 2015-16. The majority of these workers (17,000) were women. However, in terms of growth in part-time employment, men have experienced higher rates between 2015-16 and 2016-17, increasing by 3.2%, compared to 2.6% among the female part-time workforce.

Occupational segregation is also evident within the part-time workforce, but not to the extent that is seen among full-time workers. Women make-up over 70% of the part-time workforce in all occupations, with the exception of machinery operators and drivers. More than three-quarters of this workforce are men. Very few top-tier managers work part-time overall – around 900 Key Management Personnel and 1,800 Executives. The vast majority of these workers are women.

PART-TIME GENDER PAY GAPS

Part-time pay data collected by WGEA is based upon a full-time equivalent (FTE) annualised value that is estimated by each reporting organisation. FTE allows organisations to standardise remuneration by showing what the equivalent remuneration would be of a part-time employee, if they were working full-time. This makes remuneration between genders across all states of employment comparable. The analysis that follows is therefore based on FTE equivalent data.

The average part-time gender pay gap when assessed at a base salary level is -7.3%, with the negative sign indicating a gap that is in favour of women. That is, women working part-time currently earn 7.3% on average more than their male counterparts. This represents an improvement in the part-time gender pay gap in favour of women from -7.8% in the previous period and amounts to an annual FTE salary difference of around $4,000.

When total remuneration is assessed, the gender pay gap narrows to -5.8% in favour of women, with additional wages beyond that of the base salary working towards this movement. These broad averages can mask sharp variations across industries and occupations.

Occupations

Women working part-time in management positions will earn 27% less than men working in part-time management roles

While the gender pay gap for part-time workers overall is in favour of women (around -7.3%), this pattern reverses among part-time workers in managerial positions (Table 5). Noting that few women and even fewer men work part-time in management positions, across all part-time managerial occupations, men receive on average 26% more in annual FTE wages each year than women. This has increased from 24.8% in the previous period. When taking into account total remuneration, the gap widens to 27.6%, representing a slight increase from 27.1% in 2015-16.

TABLE 5

Gender pay gap within occupation levels for part-time workers, base and total, 2015-16 and 2016-17

Occupation Class	Base Salary		Total Salary		Base GPG			Total GPG		
	Women	Men	Women	Men	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Managers										
Key Management Personnel*	$186,568	$247,486	$227,235	$295,703	12.0%	27.5%	24.6%	8.9%	27.6%	23.2%
Executive	$172,496	$246,304	$204,945	$317,638	23.9%	26.3%	30.0%	31.1%	35.0%	35.5%
Senior Manager	$146,482	$186,787	$175,797	$226,356	18.1%	19.0%	21.6%	19.0%	20.7%	22.3%
Other Manager	$104,124	$121,167	$123,533	$145,112	12.3%	14.8%	14.1%	14.7%	15.1%	14.9%
Non-managers										
Professionals	$86,280	$106,998	$100,856	$125,383	21.4%	18.9%	19.4%	20.6%	18.7%	19.6%
Technicians and Trades Workers	$55,245	$57,906	$65,391	$70,655	10.2%	5.9%	4.6%	9.4%	8.6%	7.5%
Community and Personal Service Workers	$48,504	$48,324	$55,358	$55,596	0.9%	-1.0%	-0.4%	0.9%	-0.3%	0.4%
Clerical and Administrative Workers	$57,744	$54,032	$65,718	$61,894	-6.6%	-6.2%	-6.9%	-5.3%	-5.0%	-6.2%
Sales Workers	$43,450	$42,472	$51,175	$50,376	-1.9%	-1.1%	-2.3%	-1.6%	-0.6%	-1.6%
Machinery Operators and Drivers	$55,187	$56,884	$64,851	$70,121	4.6%	4.2%	3.0%	6.9%	7.4%	7.5%
Labourers	$40,154	$39,617	$45,838	$45,863	3.9%	-5.6%	-1.4%	4.5%	-4.4%	0.1%
All										
Managers	$119,165	$161,042	$141,962	$196,069	21.0%	24.8%	26.0%	23.1%	27.1%	27.6%
Non-managers	$56,203	$52,022	$65,094	$61,124	-5.0%	-8.6%	-8.0%	-4.9%	-7.6%	-6.5%
All occupation classes	$58,221	$54,250	$67,548	$63,845	-4.4%	-7.8%	-7.3%	-4.2%	-6.7%	-5.8%

Note: Salaries are provided on a full-time equivalent (FTE) basis. See technical notes and glossary for further information.
Source: WGEA Gender Equality data 2016 and 2017.

Executives continue to record the highest part-time gender pay gap in favour of men, with men receiving some 30.0% more on average in annual FTE pay each year than women. This increases to 35.5% when taking into account total remuneration. The size of the part-time gender pay gap among Executives has increased by 3.9 percentage points between 2015-16 and 2016-17, when measured on total remuneration (Table 5 and Figure 5).

The gender pay gap has narrowed considerably among top-tier managers/KMP. When assessing base salary, the gap has fallen from 27.5 to 24.6% and on total salaries from 27.6 to 23.2%. Senior managers have seen a widening (in favour of men) over the same period, whereas other managers have seen little change between the two periods.

Clerical and administrative workers have the largest part-time gender pay gap in favour of women, 6.9% at a base FTE salary level, and 6.2% when comparing total remuneration. Both measures have increased over time.

Part-time sales workers, community and personal service workers continue to record very narrow pay gaps, with little change between 2015-16 and 2016-17 when measured on both base and total salary.

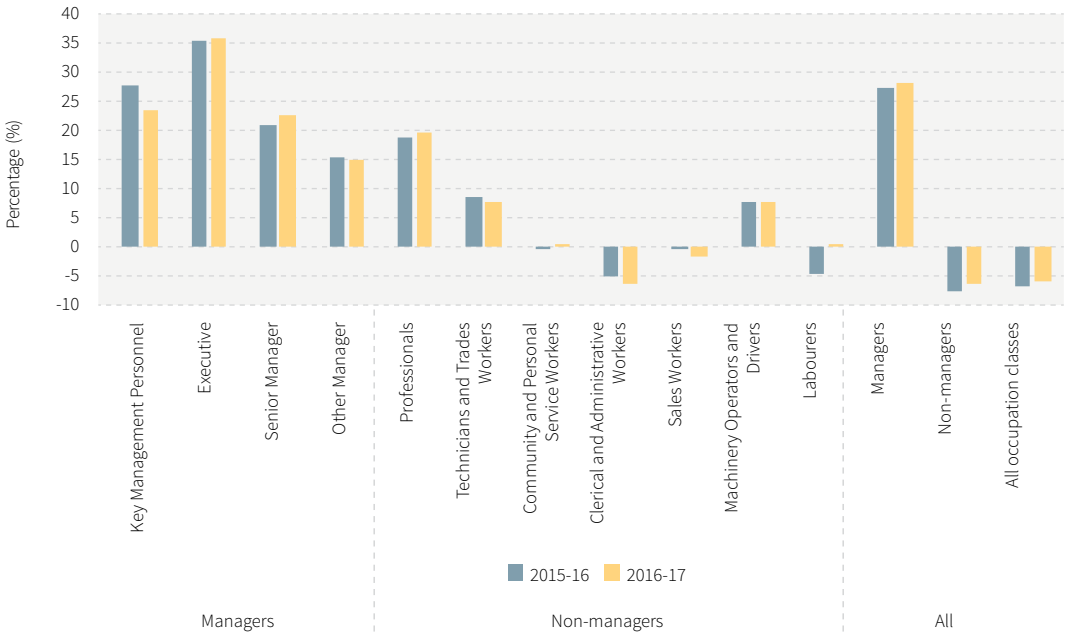
Part-time men working as professionals will earn some 19.4% more than their female peers, with the pay gap widening over time.

In 2015-16, women working part-time as labourers were earning around 5.6% more than their male counterparts on base salary and 4.4% on total remuneration. By 2016-17 this had reduced considerably, with the gender pay gap on base salary narrowing to 1.4% (in favour of women) and 0.1% (in favour of men) for total salary.

The pay gap among part-time professionals has continued to favour men over women – in line with patterns we observe at a managerial level. Part-time men will earn some 19.4% more than their female peers, with the part-time professional pay gap widening over time.

FIGURE 4

Part-time gender pay gap among occupations – total remuneration, 2015-16 and 2016-17



Note: Salaries are provided on a full-time equivalent (FTE) basis. See technical notes and glossary for further information.
Source: WGEA Gender Equality data 2015-16 and 2016-17.

Industries

The part-time gender pay gap varies considerably across industries from -23.4 (in favour of women) to 12.3% (in favour of men) on base salary measures, and -22.3 to 19.7% when total remuneration is taken into account (Table 6 and Table 7).

The part-time base salary gender pay gap favours women in 10 out of the 19 industries. This is in contrast to the full-time workforce, where the gender pay gap favours men across all industries.

Considerable changes in the part-time gender pay gap and rankings of industries are seen between 2015-16 and 2016-17. The Construction sector has seen a shift in the part-time pay gap from being in favour of men in 2015-16 (+18.6%) to being in favour of women in 2016-17 (-10.7%).

The Information Media and Telecommunications industry has continued to extend its gender pay gap in favour of women, with women working part-time in this sector earning around $12,000 more than their male counterparts.

Women working part-time in Information Media and Telecommunications Industry earn around $12,000 more than their male counterparts.

TABLE 6

Part-time gender pay gap among industries – base salary, 2015-16 and 2016-17

Industry	2015-16		2016-17		GPG		GPG rank**		Change
	Women	Men	Women	Men	2015-16	2016-17	2015-16	2016-17	
Information Media and Telecommunications	65,628 9	54,052 12	65,485 9	53,050 13	-21.4%	-23.4%	1	1	0
Public Administration and Safety	51,736 15	48,473 15	57,294 15	48,511 16	-6.7%	-18.1%	11	2	9
Wholesale Trade	56,075 13	49,167 14	58,200 13	51,683 14	-14.1%	-12.6%	4	3	1
Education and Training	74,359 4	85,119 4	77,243 5	88,044 3	12.6%	12.3%	5	4	1
Manufacturing	69,941 7	64,544 8	72,413 7	65,024 7	-8.4%	-11.4%	8	5	3
Professional, Scientific and Technical Services	87,558 2	93,467 2	93,783 2	105,169 2	6.3%	10.8%	12	6	6
Construction	70,614 6	86,758 3	70,739 8	63,917 9	18.6%	-10.7%	2	7	-5
Mining	114,360 1	126,304 1	116,365 1	127,633 1	9.5%	8.8%	7	8	-1
Rental, Hiring and Real Estate Services	69,302 8	64,629 7	77,869 4	71,912 6	-7.2%	-8.3%	10	9	1
Financial and Insurance Services	70,646 5	76,752 6	72,615 6	77,828 5	8.0%	6.7%	9	10	-1
Accommodation and Food Services	39,431 19	38,822 19	38,461 19	36,619 19	-1.6%	-5.0%	15	11	4
Other Services	59,128 10	51,479 13	60,971 11	58,060 12	-14.9%	-5.0%	3	12	-9
Agriculture, Forestry and Fishing	56,592 12	54,573 11	61,766 10	64,320 8	-3.7%	4.0%	14	13	1
Electricity, Gas, Water and Waste Services	85,598 3	77,053 5	91,242 3	87,853 4	-11.1%	-3.9%	6	14	-8
Health Care and Social Assistance	54,983 14	55,222 10	57,492 14	58,284 11	0.4%	1.4%	19	15	4
Retail Trade	43,069 18	43,314 18	44,504 18	44,993 18	0.6%	1.1%	18	16	2
Arts and Recreation Services	47,596 16	47,947 16	49,857 16	50,145 15	0.7%	0.6%	17	17	0
Administrative and Support Services	45,635 17	43,811 17	47,621 17	47,767 17	-4.2%	0.3%	13	18	-5
Transport, Postal and Warehousing	57,465 11	56,666 9	60,038 12	59,957 10	-1.4%	-0.1%	16	19	-3
All Industries	56,154	52,098	58,221	54,250	-7.8%	-7.3%			

Note: **Rankings denote distance from parity (zero) in either direction, as determined by the absolute value of the gender pay gap in each period. Salaries are provided on a full-time equivalent (FTE) basis. See technical notes and glossary for further information.
Source: WGEA Gender Equality data 2015-16 and 2016-17.

The Professional, Scientific and Technical services sector has seen a widening of the gender pay gap in favour of men over the last two years, from 6.3 to 10.8% on base salary measures. This shift is also apparent when assessed using total remuneration (Table 7). Conversely, the Public Administration and Safety sector has seen the part-time gender pay gap widen in favour of women, with this sector moving from 11th to 2nd place in terms of the magnitude of the gender pay gap on base salary metrics, and 11th to 3rd when taking into account total remuneration[2]. Agriculture, Forestry and Fishing has also seen a widening in the part-time gender pay gap (in favour of men) – from -3.7 to 4.0% on base salary measures and 3.3 to 10.2% in the two years to 2016-17.

TABLE 7

Part-time gender pay gap among industries – total remuneration, 2015-16 and 2016-17

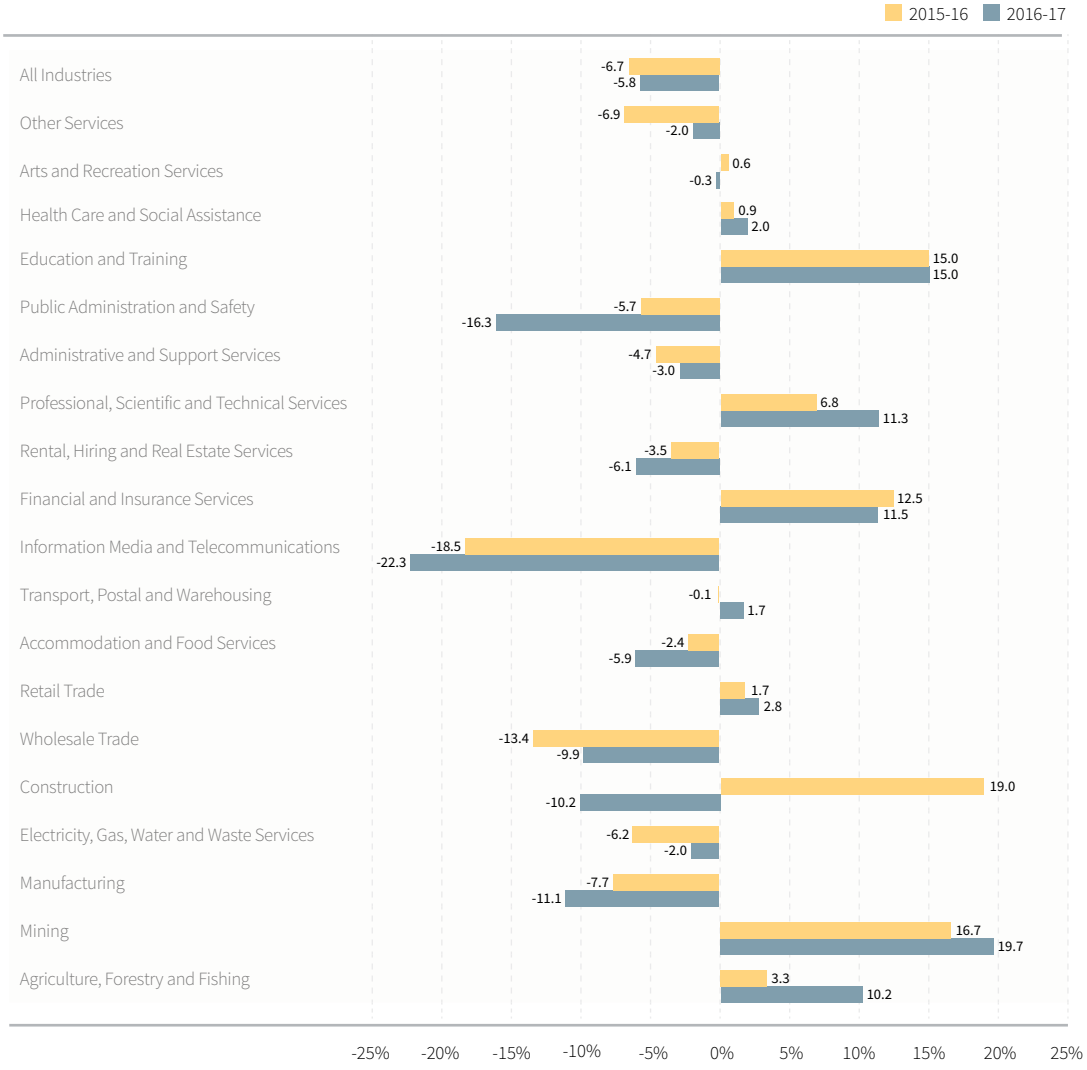
Industry	2015-16		2016-17		GPG		GPG rank**		Change
	Women	Men	Women	Men	2015-16	2016-17	2015-16	2016-17	
Information Media and Telecommunications	77,080 9	65,070 11	77,942 9	63,719 13	-18.5%	-22.3%	2	1	1
Mining	144,728 1	173,792 1	146,098 1	181,953 1	16.7%	19.7%	3	2	1
Public Administration and Safety	57,680 15	54,573 15	66,209 15	56,953 15	-5.7%	-16.3%	11	3	8
Education and Training	83,670 5	98,443 3	87,297 5	102,759 4	15.0%	15.0%	4	4	0
Financial and Insurance Services	85,314 4	97,461 5	86,541 6	97,764 5	12.5%	11.5%	6	5	1
Professional, Scientific and Technical Services	98,506 3	105,693 2	105,161 3	118,617 2	6.8%	11.3%	9	6	3
Manufacturing	82,162 6	76,284 8	85,402 7	76,885 8	-7.7%	-11.1%	7	7	0
Agriculture, Forestry and Fishing	63,770 14	65,967 10	70,057 11	78,052 7	3.3%	10.2%	14	8	6
Construction	79,501 8	98,201 4	79,519 8	72,186 10	19.0%	-10.2%	1	9	-8
Wholesale Trade	67,229 11	59,281 14	69,228 12	62,977 14	-13.4%	-9.9%	5	10	-5
Rental, Hiring and Real Estate Services	79,851 7	77,172 7	91,493 4	86,221 6	-3.5%	-6.1%	13	11	2
Accommodation and Food Services	44,152 19	43,117 19	43,074 19	40,672 19	-2.4%	-5.9%	15	12	3
Administrative and Support Services	51,592 17	49,274 18	54,821 17	53,219 18	-4.7%	-3.0%	12	13	-1
Retail Trade	50,925 18	51,816 17	52,464 18	53,953 17	1.7%	2.8%	16	14	2
Electricity, Gas, Water and Waste Services	100,754 2	94,864 6	107,984 2	105,873 3	-6.2%	-2.0%	10	15	-5
Other Services	66,644 12	62,328 13	69,190 13	67,842 12	-6.9%	-2.0%	8	16	-8
Health Care and Social Assistance	64,440 13	65,036 12	66,659 14	68,011 11	0.9%	2.0%	17	17	0
Transport, Postal and Warehousing	69,739 10	69,662 9	73,227 10	74,486 9	-0.1%	1.7%	19	18	1
Arts and Recreation Services	52,823 16	53,132 16	55,796 16	55,628 16	0.6%	-0.3%	18	19	-1
All Industries	65,430	61,338	67,548	63,845	-6.7%	-5.8%			

Note: **Rankings denote distance from parity (zero) in either direction, as determined by the absolute value of the gender pay gap in each period. Salaries are provided on a full-time equivalent (FTE) basis. See technical notes and glossary for further information.
Source: WGEA Gender Equality data 2015-16 and 2016-17.

2 This sector has relatively few reporting organisations and captures only a small proportion of the Public Administration and Safety workforce, as the public sector is outside the scope of the WGEA reporting data.

FIGURE 5

Part-time gender pay gap for total remuneration, 2015-16 and 2016-17



Note: Salaries are provided on a full-time equivalent (FTE) basis. See technical notes and glossary for further information.
Source: WGEA Gender Equality data 2015-16 and 2016-17.

SPECIAL INVESTIGATIONS

SPECIAL INVESTIGATIONS

Organisational change will generally require the design and implementation of specific gender equity policies. But which specific policies and actions deliver the best outcomes and is there a link between actions on pay equity and outcomes?

In a series of three related special investigations we present new insights into the relationship between organisational policies, the actions taken by organisations to narrow the gender pay gap, and the associated change in the gender pay gap.

First, we assess the progress that has been made when it comes to policies and actions that seek to address gender pay gaps. We find out which industries are more likely to be taking action on pay equity, what type of actions they are taking, and how this has changed over time.

Next, we look at the relationship between organisations that have taken action on pay equity and the subsequent change we observe in the gender pay gap. We compare changes in the gender pay gap between organisations that conducted a pay audit and took additional actions with those that did not take any further action and those that did not undertake a pay gap audit at all.

Finally, we put this relationship to the test, by designing an empirical model that assesses this relationship and at the same time, takes into account other factors that may also be playing a role in the changes that we can see in gender pay gaps over time. And importantly, we find out which actions or combinations of actions are likely to gain more traction when it comes to narrowing the gender pay gap.

POLICIES AND ACTIONS

Well-designed policies, together with action can improve the places that we live and work. Our workplaces can become safer and healthier, more productive, happier and more equitable.

Every year since 2014, the Workplace Gender Equality Agency has asked more than 11,000 Australian organisations to report on the actions they have taken to address gender pay gaps among their 4 million plus workforce. The organisations report on whether they have formal policies or strategies in place when it comes to remunerating their employees, whether or not a pay gap audit has been conducted and whether any actions have taken place as a result of this audit.

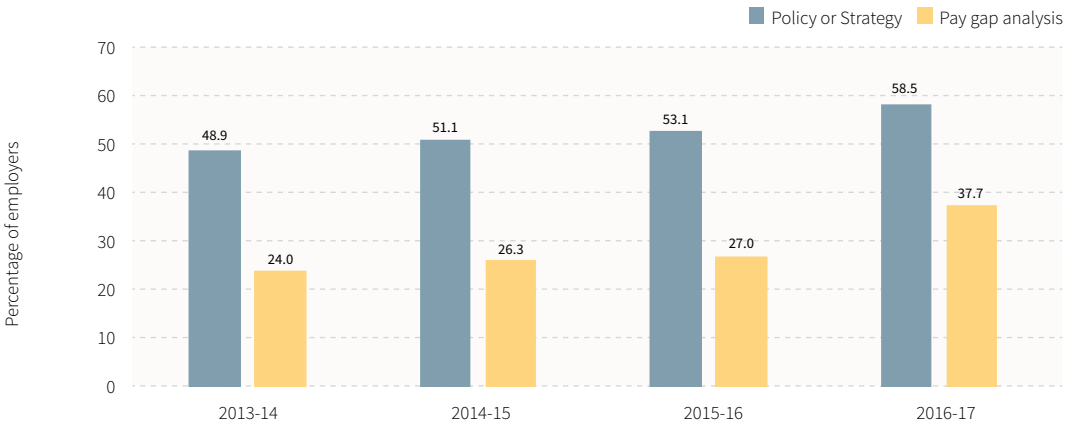
Employers with a formal remuneration policy or strategy

Australian employers are now more than ever before taking pay equity seriously. In just the four years of WGEA reporting history alone, the proportion of employers with a formal remuneration policy or strategy has increased by 10 percentage points – from 48.9% in 2013-14 to 58.5% in 2016-17 (Figure 3).

Simultaneously, the proportion of employers undertaking a pay gap analysis has increased from 24.0% to 37.7%, capturing over 2.4 million employees. The biggest increase in this behaviour has occurred in the last two reporting years, where the proportion of organisations undertaking a pay gap analysis grew by almost 11 percentage points, from 27.0% in 2015-16 to 37.7% in 2016-17.

FIGURE 6

Formal remuneration policy or strategy, pay gap analysis, 2013-14 to 2016-17



The proportion of employers undertaking a pay gap analysis has increased from 24.0% to 37.7% in the four years to 2016-17.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2013-14 to 2016-17.

Improvements in the number of organisations conducting a pay gap analysis can be found across all industries, however some industries start from a higher baseline, whereas others have jumped considerably in this activity of late (Table 8).

Almost two-thirds of organisations in the Financial and Insurance Services sector have undertaken a pay gap analysis in 2016-17, representing an increase of 6.5 percentage points between 2015-16 and 2016-17. The Finance sector was ranked first place for conducting a pay gap analysis in both 2015-16 and 2016-17.

Professional, Scientific and Technical Services ranks second and Mining a close third in terms of organisations that have undertaken a pay gap analysis. Mining has seen a big increase in the proportion of firms embarking on a pay gap analysis – rising by 17.1 percentage points between 2015-16 and 2016-17 to 60%.

The Public Administration and Safety sector has also witnessed some big shifts in organisations undertaking a pay gap analysis between 2015-16 and 2016-17, increasing by 22.5 percentage points in this period. Wholesale Trade, Administrative and Support Services and Information Media and Telecommunications sectors have also seen big increases in the proportion of firms reporting having conducted a pay gap analysis.

Almost two-thirds of organisations in the Finance sector have undertaken a pay gap analysis.

TABLE 8

Employers that undertook a pay gap analysis by sector, 2015-16 and 2016-17

Industry	2015-16		2016-17		Difference	
	%	Rank	%	Rank	%	Rank
Financial and Insurance Services	57.8%	1	64.3%	1	+6.5%	18
Professional, Scientific and Technical Services	49.3%	2	61.4%	2	+12.1%	10
Mining	42.9%	3	60.0%	3	+17.1%	2
Public Administration and Safety	36.4%	5	58.8%	4	+22.5%	1
Electricity, Gas, Water and Waste Services	40.4%	4	51.1%	5	+10.7%	14
Information Media and Telecommunications	34.3%	6	47.7%	6	+13.4%	5
Wholesale Trade	31.6%	8	45.9%	7	+14.3%	3
Construction	31.8%	7	44.1%	8	+12.3%	9
Rental, Hiring and Real Estate Services	31.3%	9	42.1%	9	+10.9%	13
Arts and Recreation Services	31.1%	10	41.0%	10	+9.9%	15
Manufacturing	27.2%	11	38.3%	11	+11.1%	12
Other Services	23.2%	13	35.9%	12	+12.7%	8
Transport, Postal and Warehousing	23.7%	12	35.5%	13	+11.8%	11
Administrative and Support Services	20.6%	15	34.0%	14	+13.4%	4
Retail Trade	21.8%	14	30.3%	15	+8.5%	17
Agriculture, Forestry and Fishing	17.0%	16	29.8%	16	+12.8%	6
Accommodation and Food Services	13.5%	18	26.2%	17	+12.7%	7
Health Care and Social Assistance	11.7%	19	21.0%	18	+9.4%	16
Education and Training	13.7%	17	17.8%	19	+4.1%	19
Total	27.0%		37.7%		+10.8%	

Source: WGEA Gender Equality data 2015-16 and 2016-17.

Less than 1 in 5 organisations in the Education and Training sectors have undertaken a pay gap analysis.

The table shows that organisations in the female-dominated sectors of Education and Training and Health Care and Social Assistance have the lowest rates of reporting having undertaken a pay gap analysis. Less than 1 in 5 organisations within the Education and Training sector have undertaken a pay gap analysis (17.8%), however, this has improved between 2015-16 and 2016-17 (+4.1 percentage points). Just over 20% of organisations within the Health Care and Social Assistance sector have conducted a pay gap analysis – up 9.4 percentage points since 2015-16.

Actions taken on pay equity

More than 1 in 4 organisations that undertook a pay gap analysis reported these results to the Executive.

Among reporting organisations that conducted a pay gap analysis, more than 50% also reported taking action in light of the results. The most common type of action was to report the results of the analysis to the Executive (Figure 7). In 2016-17 just over 1 in 4 organisations reported their pay gap analysis to the Executive – an increase from just under 1 in 5 in 2014-15.

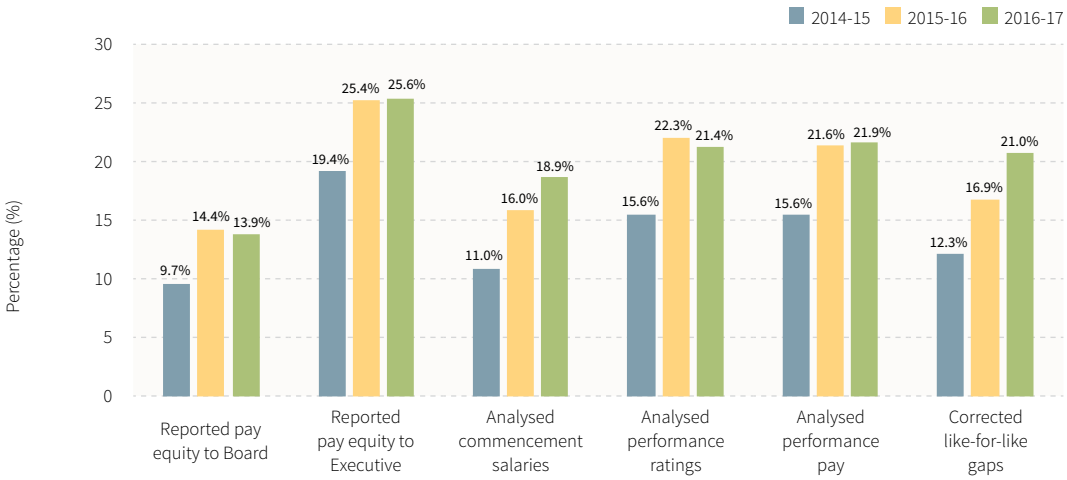
Analysis of performance ratings and performance pay was a common action following a pay gap analysis. In 2014-15, 15.6% of organisations that conducted a pay gap analysis also analysed performance pay – by 2016-17 this had increased to 21.9% of firms.

A big jump in the proportion of organisations correcting like-for-like pay gaps as a result of undertaking a pay gap audit is evident, increasing from 12.3% to 21.0% in the two years to 2016-17.

And while reporting pay gap analyses to the Board has grown over time, from 9.7% in 2014-15 to 13.9% in 2016-17, this type of action remains one of the less frequent responses to having undertaken a pay gap analysis. In results not shown, reporting pay gap analysis results to employers and to the public are very rare events, with fewer than 1% of organisations taking this action.

FIGURE 7

Actions taken as a result of pay gap analysis, 2014-15 to 2016-17



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2014-15, 2015-16 and 2016-17.

Drilling down to industry sectors, the type and prevalence of actions as a result of undertaking a pay gap analysis vary considerably (Figure 8). In general, the proportion of organisations within each sector having taken a particular action as a result of a pay gap analysis has increased in the two years to 2016-17 (comparing the solid shape: 2016-17, with the line: 2014-15).

Almost half of organisations in the Finance sector report the results of their pay gap analysis to the Executive, compared to 1 in 4 across all sectors.

Among organisations within the Finance and Insurance sector that conducted a pay gap analysis, the most common response was to report this analysis to the Executive. Almost half (48.3%) of organisations in the Finance sector embark upon this behaviour, compared to only one quarter across all organisations that undertook a pay gap analysis. This action has increased considerably in the last two years of reporting – an increase of over 19 percentage points between 2014-15 and 2016-17. The Finance and Insurance sector also has the highest rates of reporting pay gap analyses to the Board (36.7%); analysis of performance ratings (44.0%) and analysis of commencement salaries (36.0%). They also rank second when it comes to actions taken to correct like-for-like pay gaps and analysis of performance pay.

The Rental, Hiring and Real Estate sector has the highest proportion of organisations that conducted a pay gap analysis and subsequently analysed performance pay (47.0%). The sector also has the highest proportion of organisations that corrected-like-for-like pay gaps (34.3%), representing a considerable increase from only 12.0% in 2014-15. The prevalence of reporting pay gap analyses to the Executive has also increased substantially in this sector – more than doubling from 16 to 34% in the two years to 2016-17. Reporting pay gap results to the Executive has also become one of the more frequent responses for organisations operating within the Utilities sector, however analysing performance ratings and performance pay has become a less frequent response among firms that have undertaken a pay gap analysis.

The frequency with which the Finance and Insurance, Rental, Hiring and Real Estate, and Utilities sectors embark on performance pay analysis as a response to a gender pay gap is commensurate with the wage and salary setting systems that often accompany these sectors. The three sectors have the largest 'male bonus' premium across all industries, that is, the difference between what men and women are paid beyond that of their base salary (Cassells, Duncan & Ong 2016). These two sectors are renowned for performance pay measures operating within their remuneration systems, with men typically accessing a greater total salary in comparison to their female peers, particularly among managerial levels.

Mining has also seen a considerable increase in actioned organisational responses to pay gap analyses. In the latest WGEA reporting data, 34.6% of organisations in the Mining sector that undertook a pay gap analysis also reported these results to the Executive. This represents an increase of 17 percentage points since 2014-15, where only 17.6% of firms took this next step. And around 1 in 3 organisations in the mining sector took steps to correct like-for-like gaps after having first conducted a pay gap analysis.

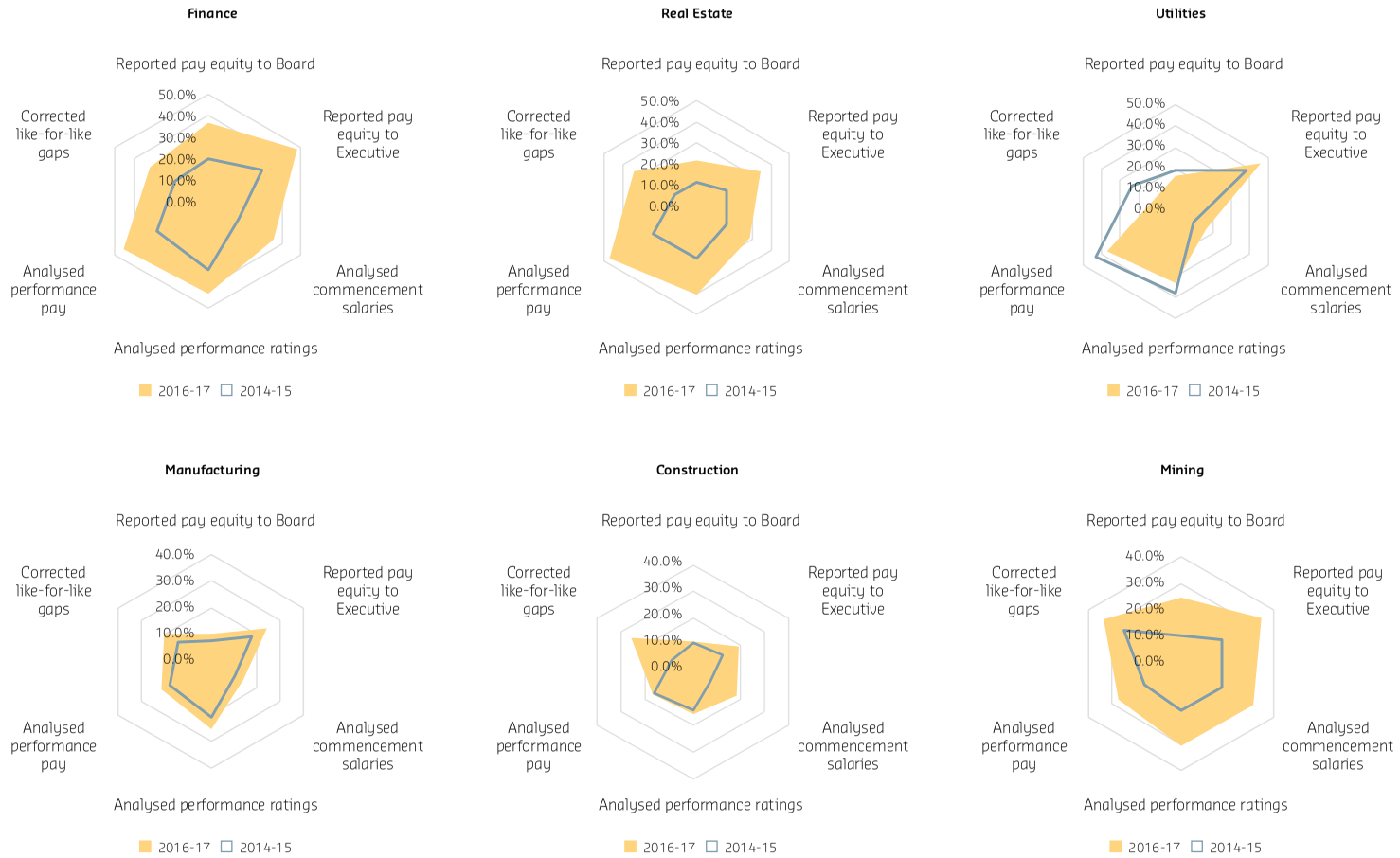
In contrast, organisations within the Health Care and Social Assistance sectors are among those with the lowest rates of conducting a pay gap analysis and subsequent actions stemming from the analysis. Of those organisations within the Health Care and Social Assistance sector that undertook a pay gap analysis, the most common response was to correct like-for-like gaps (11.7%), followed by reporting the pay gap analysis results to the Executive (8.7%). This sector typically reports lower gender pay gaps than other industries.

Only 6.5% of organisations within the Accommodation and Food Services sector go on to report the results of their pay gap analysis to the Executive.

Organisations within the Retail Trade, and Accommodation and Food Services sectors also have low rates of conducting pay gap analyses and actions stemming from these relative to other sectors. Both sectors are typically heavily reliant on award and collective workplace agreements, which may in some respects induce a level of complacency. Among those organisations in the Retail sector that undertook a pay gap analysis, the most common preceding action was to report these results to the Executive (21.3%). Within the Accommodation and Food Services sector, only 6.5% of those that conducted a pay gap analysis also reported these results to the Executive.

FIGURE 8

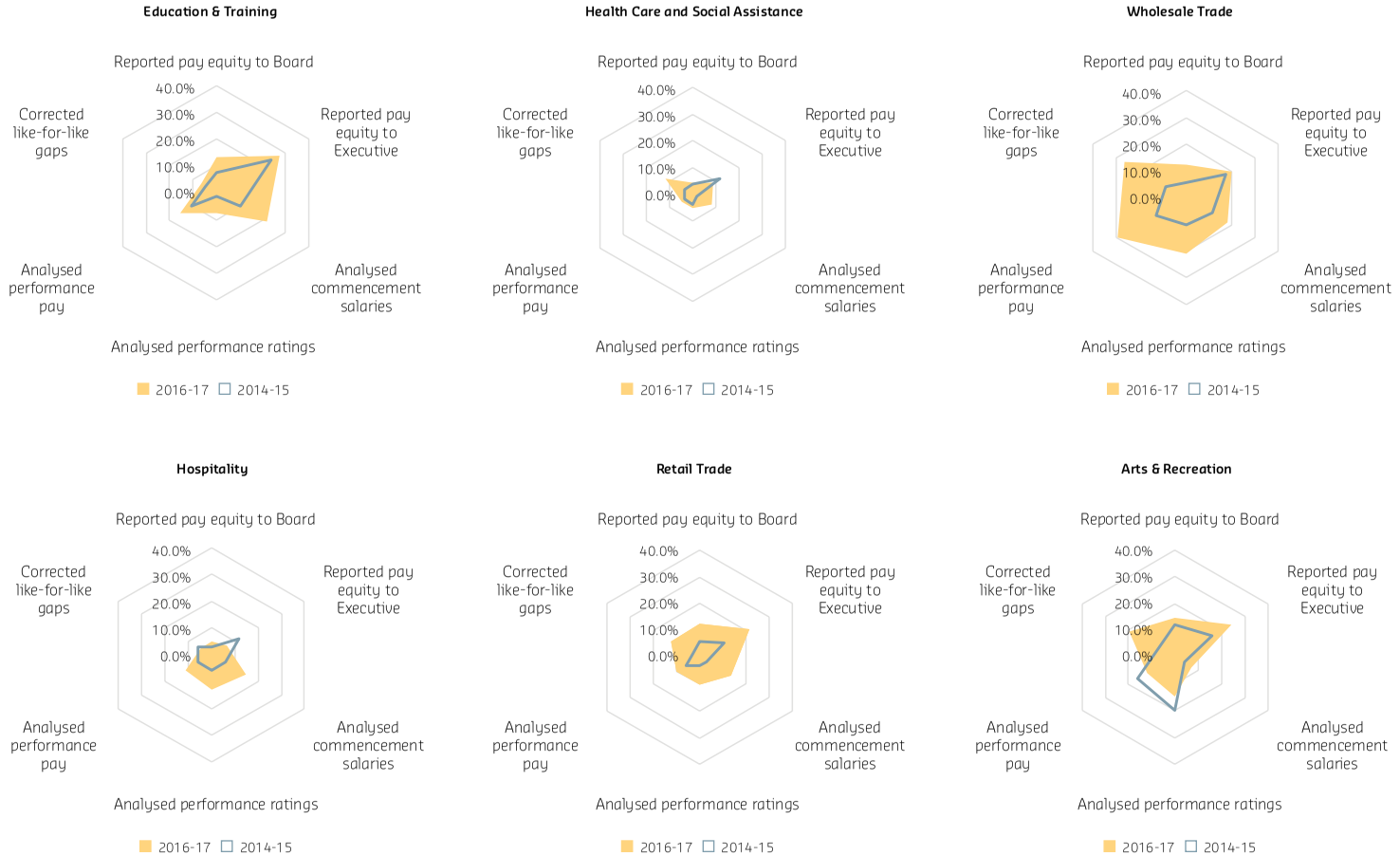
Actions taken as a result of pay gap analysis by sector, 2014-15 and 2016-17



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2014-15 and 2016-17.

FIGURE 8 (continued)

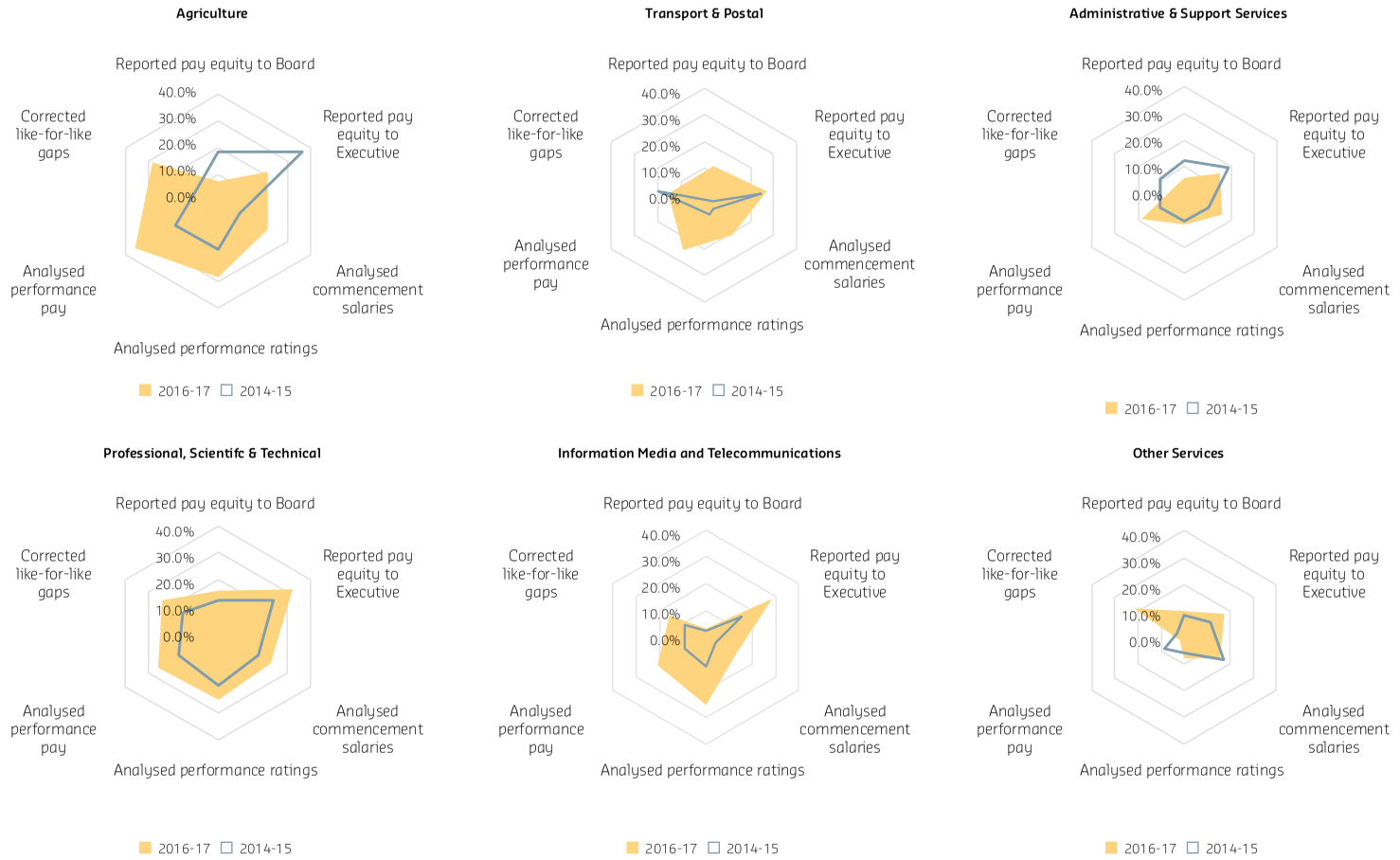
Actions taken as a result of pay gap analysis by sector, 2014-15 and 2016-17



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2014-15 and 2016-17.

FIGURE 8 (continued)

Actions taken as a result of pay gap analysis by sector, 2014-15 and 2016-17



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2014-15 and 2016-17.

ACTIONS AND OUTCOMES

Employer action on pay equity has substantially improved over time, but has this made a difference to pay equity? This special investigation extends the previous analysis on policies and actions on pay equity, by assessing the relationship between these actions and their impact on the gender pay gap over time.

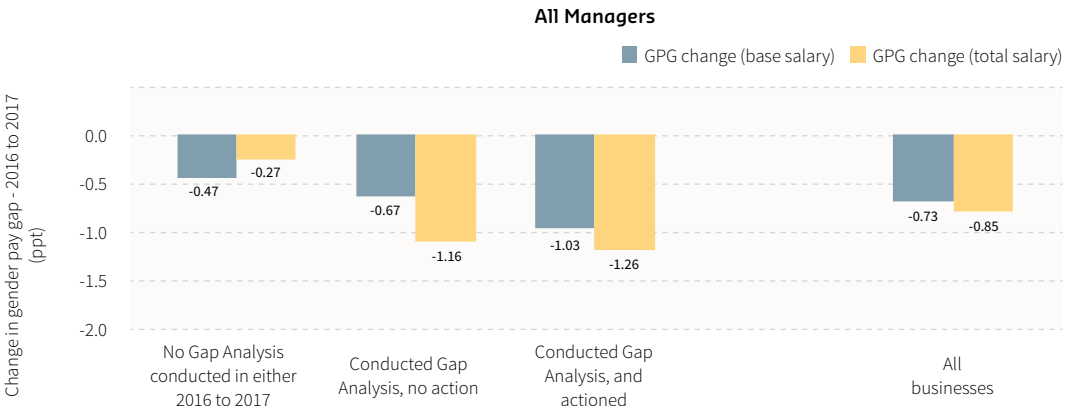
Employer action on pay equity has substantially improved over time, but has this made a difference to pay equity?

We select organisations that are observed in both the 2015-16 and 2016-17 WGEA reporting data and examine what actions they took in 2015-16 and the subsequent change in the gender pay gap between the two years. In the following section, we examine the extent to which these relationships remain, when other factors that may also be influencing the gender pay gap are taken into account.

Pay gap actions and outcomes – Managers

Changes in the gender pay gap among managers based on whether a pay gap audit was undertaken in 2015-16 are shown in both percentage point (Figure 9) and dollar (Figure 10) values. A clear pattern is evident, revealing that firms who conducted a pay gap audit are more likely to have seen a decrease in the managerial gender pay gap over time, especially if specific actions accompanied the audit.

FIGURE 9
Change in managerial gender pay gap - audit and actions



Note: All business change for a specific occupation will not equate to that reported in 'The Big Picture' section as this analysis is based on a selection of firms observed in both the 2016 and 2017 WGEA reporting data. See Glossary and Technical Notes for more details about this occupation classifications.
Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2015-16 and 2016-17.

Organisations that undertook a pay gap audit are more likely to have seen a decrease in their gender pay gap over time, especially if specific actions accompanied the audit.

Among organisations that did not undertake a pay gap audit, the gender pay gap on base salary fell by around half (-0.47) of a percentage point. This compares to -0.67 of a percentage point for those that undertook an audit in 2015-16 but had no follow up actions, and -1.03 for those that conducted a pay gap analysis and took action.

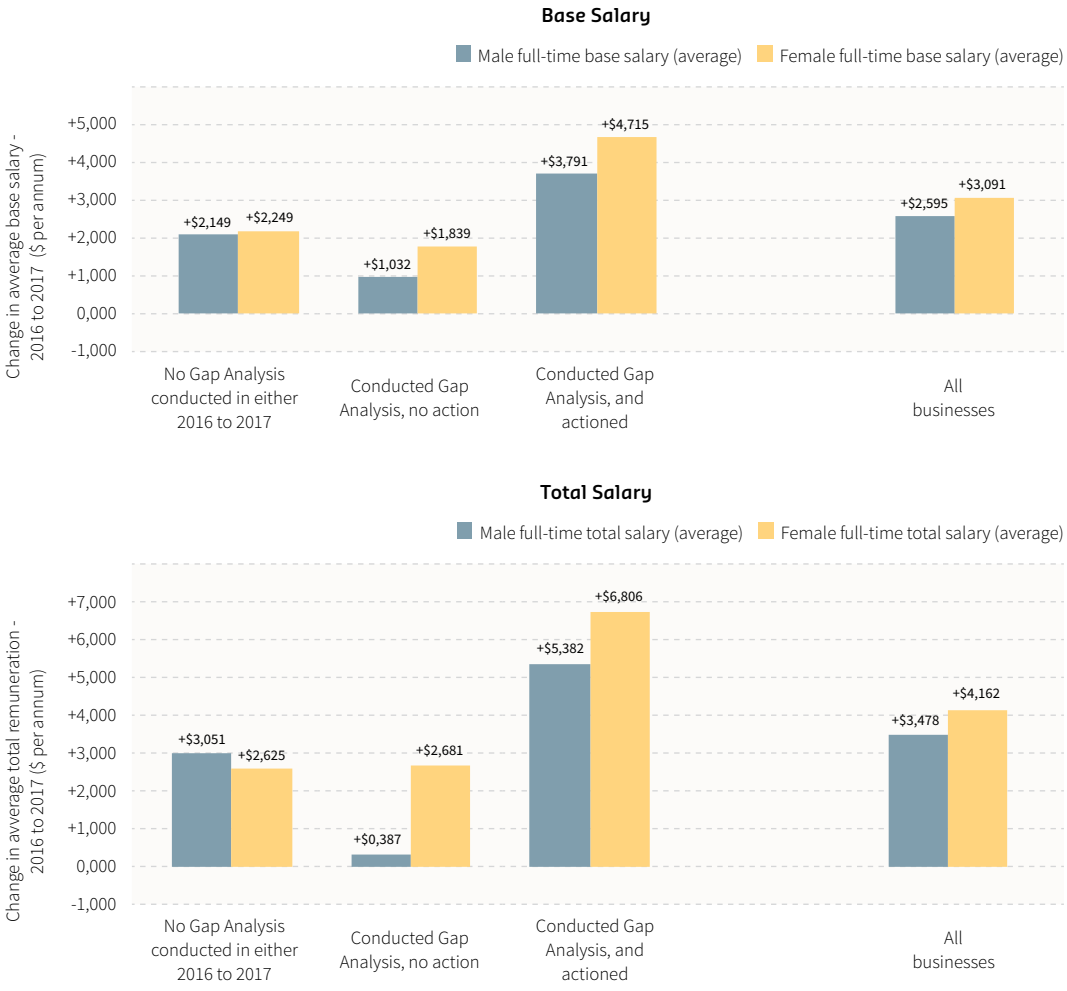
The effect is even bigger for changes in total remuneration. Organisations that conducted a pay gap audit and pursued actions stemming from this audit saw an average reduction in the managerial pay gap of 1.26 percentage points on total remuneration. This compares to a reduction of -0.27 of a percentage point for organisations that took no action at all.

The respective dollar figure changes reveal that among organisations that did not conduct a pay gap analysis in 2015-16 or 2016-17, the change in men and women's base salaries remained relatively stable over time. Among these same organisations, average total remuneration grew more for men than women between 2015-16 and 20116-17 - $3,051 and $2,625 respectively.

Organisations that conducted a pay gap analysis, but did not take any action saw small increases in both base and total salaries for male managers, and much larger increases (relatively) for female managers. On the other hand, organisations that conducted a pay gap audit ***and*** took further action saw both men and women's managerial salaries increase, but by a greater amount among female managers. Female managers in these organisations saw their average total salary increase by $6,806, whereas male managers total remuneration increased by $5,382 on average.

FIGURE 10

Change in managerial pay - audit and actions, base and total salary



Note: All business change for a specific occupation will not equate to that reported in 'The Big Picture' section as this analysis is based on a selection of firms observed in both the 2016 and 2017 WGEA reporting data. See Glossary and Technical Notes for more details about this occupation classifications.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2015-16 and 2016-17.

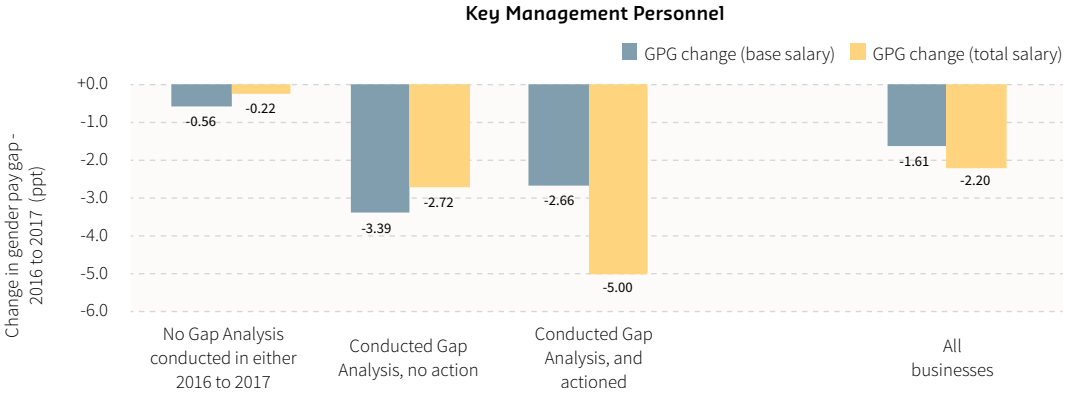
Pay gap actions and outcomes – Key Management Personnel

The gender pay gap among top-tier managers reduced on average by 5 percentage points for those organisations that both undertook a pay gap audit and took action

Turning to top-tier managers, we can see a very definitive relationship between organisations conducting a pay gap analysis, taking further action and the subsequent change in the gender pay gap (Figure 11). In contrast, organisations that did not conduct a pay gap analysis in 2015-16 saw very little change in both base and total pay gaps for top-tier managers. However, those that did undertake a pay gap analysis saw the base salary gender pay gap reduce by 3.4 percentage points and total gender pay gap fall by 2.7 percentage points.

FIGURE 11

Change in Key Management Personnel's gender pay gap - audit and actions



Note: All business change for a specific occupation will not equate to that reported in 'The Big Picture' section as this analysis is based on a selection of firms observed in both the 2016 and 2017 WGEA reporting data. See Glossary and Technical Notes for more details about this occupation classifications.
Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2015-16 and 2016-17.

Firms that undertook a pay gap audit and took action saw male top-tier manager's salaries decrease by almost $4,000 on average and female top-tier managers salaries increase by around $24,000 on average.

Noticeably, the gender pay gap among top-tier managers reduced on average by 5 percentage points for those organisations that both undertook a pay gap audit and took action (Figure 11). In monetary terms, this equates to a decrease in total remuneration of almost $4,000 on average among top-tier male managers, and an increase in total salary for top-tier female managers by around $24,000 between 2015-16 and 2016-17 (Figure 12).

This large adjustment in discretionary pay paid at the top level of organisations demonstrates the importance of combining pay gap analyses with further action as essential steps towards narrowing the gender pay gap. However, it is important to note that these adjustments do not eliminate pay gaps altogether. The re-calibration of male top-tier salaries has seen these managers take a cut in pay, but this pay cut represents less than 1% of the group's average total salary in the year prior to taking action. And while female top-tier mangers' have seen a pay rise of around 5.5%, there still exists an average $85,000 gender pay gap within this group (narrowing from $112,000 in the previous period).

FIGURE 12

Change in top-tier manager's pay - audit and actions, base and total salary

Note: All business change for a specific occupation will not equate to that reported in 'The Big Picture' section as this analysis is based on a selection of firms observed in both the 2016 and 2017 WGEA reporting data. See Glossary and Technical Notes for more details about this occupation classifications.

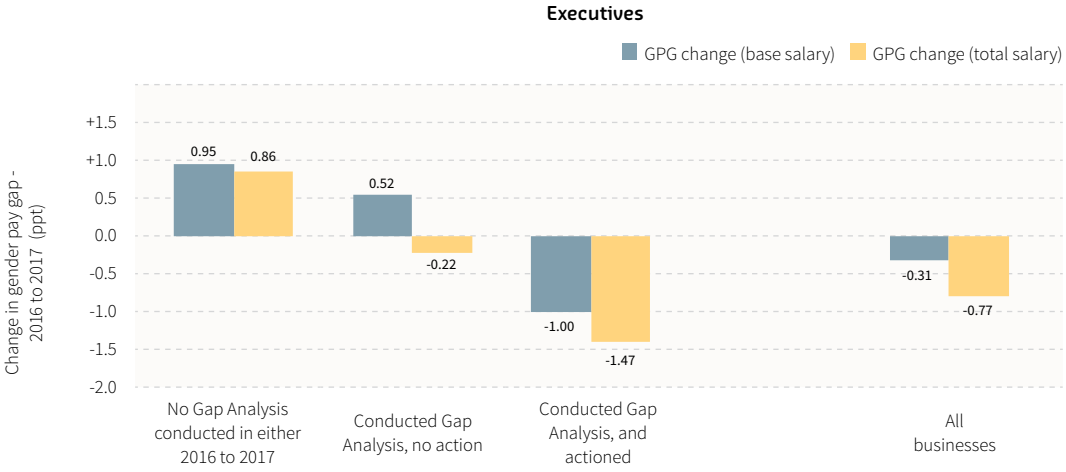
Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2015-16 and 2016-17.

Pay gap actions and outcomes – Executives

The Executive management tier is among the highest paid of all managers – second only to Key Management Personnel. Female executives can expect to earn on average around $235,000 in total salary and male executives more than $309,000 – an average gender pay gap of 24.0%.

For Executives, the introduction of a pay gap analysis and subsequent actions stemming from this analyses has similar outcomes to that of Key Management Personnel (Figure 13). Organisations that did not undertake a pay gap analysis saw the gender pay gap among Executives increase by around 1 percentage point on both base and total salary measures. This compares to an overall decrease in the gender pay gap across the entire Executive occupation classification of 0.8 percentage points on total salary.

FIGURE 13
Change in Executive managers' gender pay gap - audit and actions

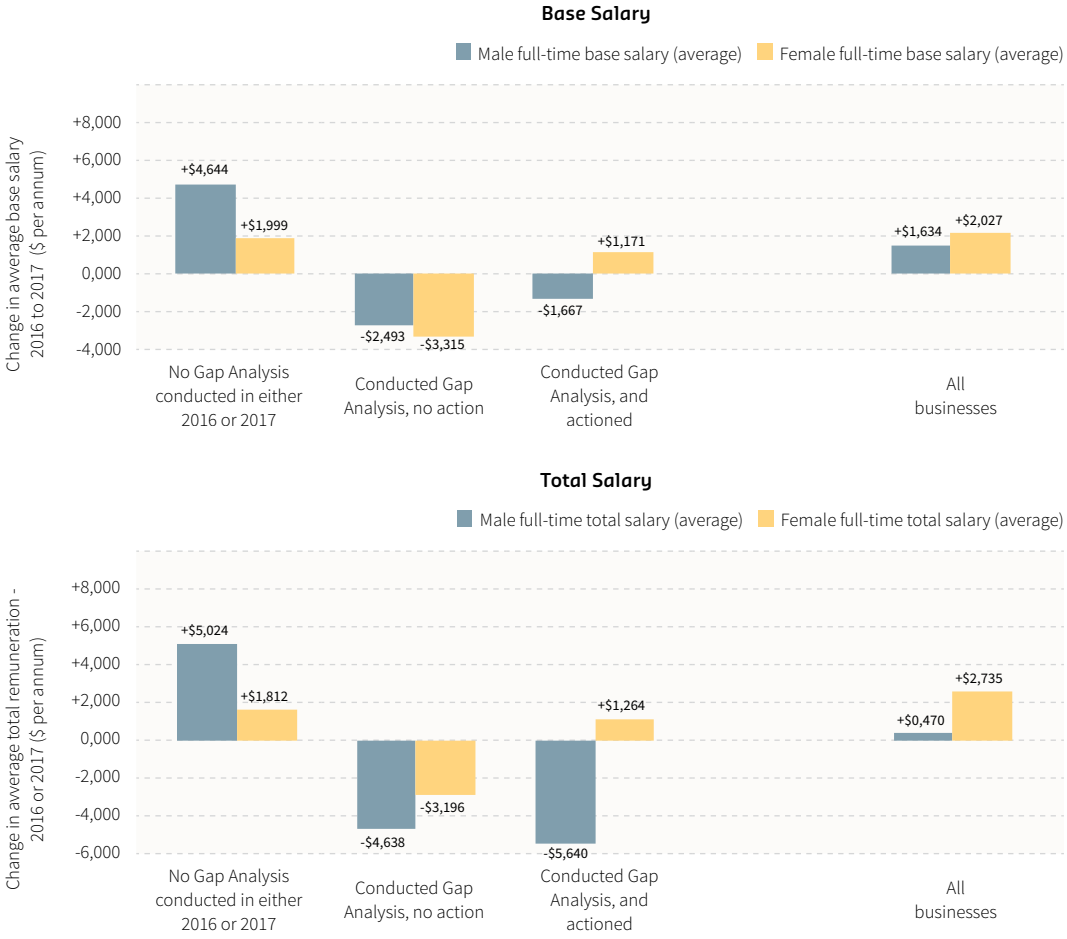


Note: All business change for a specific occupation will not equate to that reported in 'The Big Picture' section as this analysis is based on a selection of firms observed in both the 2016 and 2017 WGEA reporting data. See Glossary and Technical Notes for more details about this occupation classifications.
Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2015-16 and 2016-17.

Organisations that undertook a pay gap analysis and also took action saw the Executive gender pay gap on base salary decline by one percentage point, and on total salary by around 1.5 percentage points. This decrease is driven by an overall fall in average total and base salary of male executives together with an increase in the salaries of female executives (Figure 14). Total remuneration among male Executives operating in firms that undertook both a pay gap analysis and audit fell by around $5,500 on average, and rose among female Executives by around $1,300.

FIGURE 14

Change in Executive manager's pay - audit and actions, base and total salary



Note: All business change for a specific occupation will not equate to that reported in 'The Big Picture' section as this analysis is based on a selection of firms observed in both the 2016 and 2017 WGEA reporting data. See Glossary and Technical Notes for more details about this occupation classifications.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2015-16 and 2016-17.

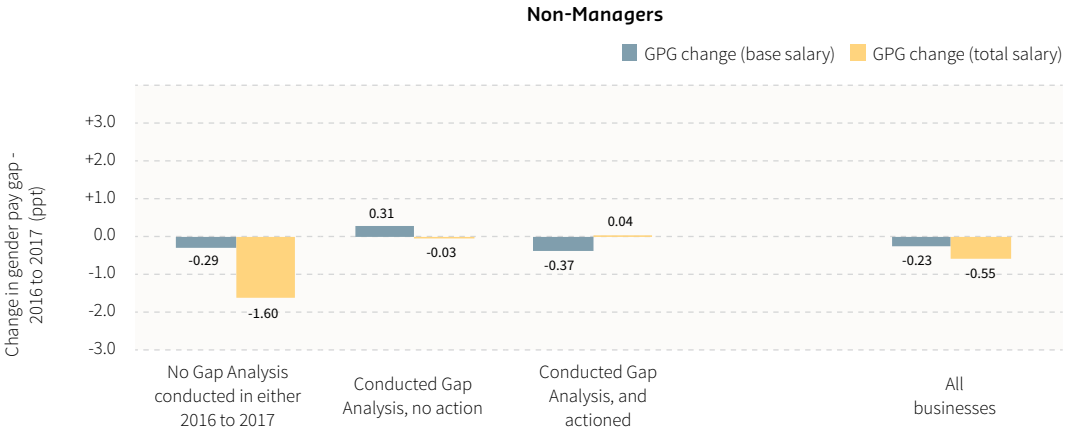
Pay gap actions and outcomes – Non-Managers

The relationship between pay gap analyses, actions and gender pay gap outcomes for the non-managerial workforce is relatively weak compared to the managerial workforce (Figure 15). This is a somewhat expected outcome, as the non-managerial workforce is more likely to be regulated by modern awards and enterprise agreements, with potentially fewer levers for organisations to pull when it comes to adjusting wages. On the other hand, pay setting among the managerial workforce is typically more discretionary in nature, particularly when it comes to salary amounts beyond that of the base salary.

Among organisations that undertook a pay gap analysis and those that conducted a pay gap analysis and also took action, very little change is observed for the non-managerial gender pay gap. This pattern exists when examining both base and total salary. For those organisations that did not undertake a pay gap analysis, very little change in the base salary gender pay gap is observed over time, however the total salary gender pay gap declined by 1.6 percentage points. Total salary for the non-managerial workforce is more likely to be made up of both superannuation and overtime hours rather than bonuses and performance pay that managers tend to have access to. This result suggests that overtime hours available to this workforce reduced during this period, more so than other workforce groupings that did take action on pay equity.

FIGURE 15

Change in non-managers' gender pay gap - audit and actions



Note: All business change for a specific occupation will not equate to that reported in 'The Big Picture' section as this analysis is based on a selection of firms observed in both the 2016 and 2017 WGEA reporting data. See Glossary and Technical Notes for more details about this occupation classifications.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2015-16 and 2016-17.

FIGURE 16

Change in non-manager's pay - audit and actions, base and total salary

Note: All business change for a specific occupation will not equate to that reported in 'The Big Picture' section as this analysis is based on a selection of firms observed in both the 2016 and 2017 WGEA reporting data. See Glossary and Technical Notes for more details about this occupation classifications.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2015-16 and 2016-17.

WHICH ACTIONS MATTER THE MOST?

In the previous section we uncovered a clear association between actions on gender pay gaps and a narrowing of the gender pay gap, especially among the managerial workforce. In this section we test this relationship further through controlling for other factors that may also be linked with gender pay gap changes, such as organisational size, the composition of the firm's leadership, and the industry sector the business operates in. And critically, we look to determine which actions or combinations of actions are likely to be more effective in narrowing gender pay gaps over time.

Research findings presented earlier in this report show that gender pay gaps are generally wider when measured in terms of total remuneration rather than base salaries. The report also highlights how gender pay gaps in total remuneration have narrowed more for some industry sectors that historically offer relatively high rates of discretionary pay.

But is this the case across all occupational levels within an organisation? In which industry sectors have pay inequities narrowed most? And is there a general relationship between discretionary pay and either the size of the gender pay gap, or the change in gender pay gap over time?

To provide context to the discussion on which pay equity actions work, this section seeks to understand the relationship between discretionary pay and gender pay gap across industry sectors in Australia.

Discretionary Pay

The first *BCEC|WGEA Gender Equity Insights* report revealed how male and female workers' access to discretionary pay, whether in the form of performance related pay, superannuation, overtime pay or other discretionary salary components, differs across industry sectors. This highlighted the existence of a 'male bonus premium' in which gender pay gaps in total remuneration were significantly larger than the gender gap in base salaries.

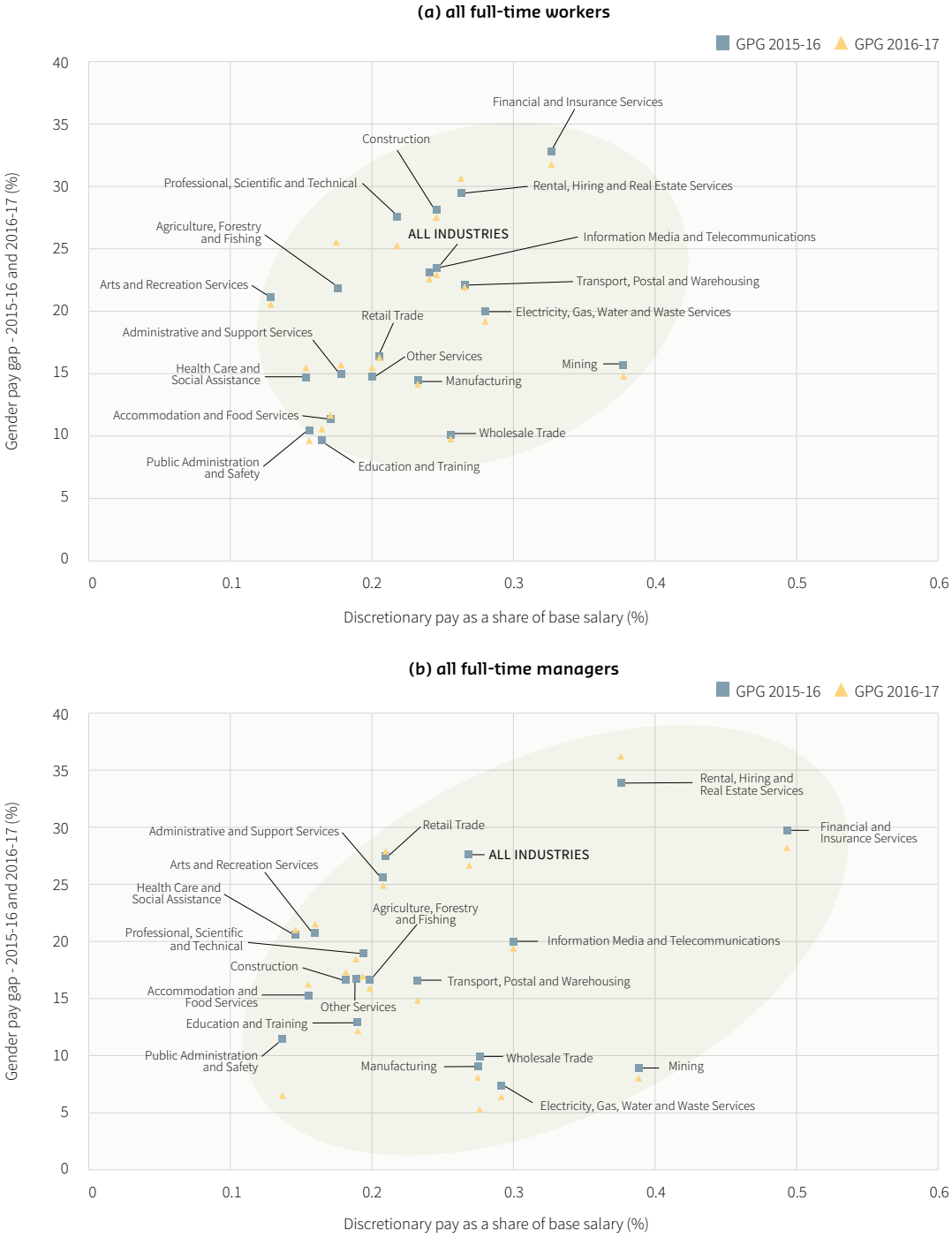
Figure 17 plots the gender pay gaps in total remuneration across industry sectors against the average rates of discretionary pay in those industries, expressed as a share of average base salaries. Panel (a) in Figure 17 looks at pay gaps for all full-time workers, while panel (b) focuses on managerial occupations only. Gender pay gaps are plotted for 2016 (shown as blue squares) and 2017 (orange triangles) to show how industry pay differentials have changed over time, with the overall industry average providing a baseline against which specific industries can be compared.

Industries with higher rates of discretionary pay – particularly Rental, Hiring and Real Estate Services, and Financial and Insurance Services - also have larger managerial gender gaps in total remuneration.

The key story to emerge from Figure 17 is just how much wider the spread of discretionary pay is among full-time managers, and also how much more varied gender pay gaps in total salaries are across industry sectors. For full-time managers in particular, we also see a positive correlation between gender pay gaps and discretionary pay. Those industries with higher rates of discretionary pay – an average of 37% above base salaries in Rental, Hiring and Real Estate Services, and nearly 50% in Financial and Insurance Services - also have larger gaps in total remuneration between male and female managers.

FIGURE 17

Relative gender pay gaps and average discretionary pay share by industry: 2016-17



Note: Each chart maps the rate of discretionary pay by industry sector, expressed as the share of total remuneration above base salary. Hence, a figure of 0.2 relates to a situation in which average total remuneration is 20% higher than average base salary. Percentage gender pay gaps in total remuneration are shown for 2015-16 (blue squares) and 2016-17 (orange triangles).

Source: Bankwest Curtin Economics Centre | Authors' calculations based on WGEA workplace data collection, 2015-16 and 2016-17.

Interestingly, there are exceptions to this rule. For example, the Mining sector offers high average rates of discretionary pay of up to 39% above base salary for managers, yet retains relatively low gender pay gaps in total remuneration – some 9.1% in 2016 falling to 7.4% by 2017.

Mining companies offer relatively high rates of discretionary pay - up to 39% above base salary for managers - yet retain low gender pay gaps in total remuneration of 7.4% in 2017.

It is worth noting that Finance and Insurance companies reduced the average gender pay gap in total salaries between 2016 and 2017, from 29.9% to 28.5%. In contrast, the average total salary pay gap for companies in the Rental, Hiring and Real Estate Services sector has increased by 3.3 percentage points over the same period, to 37%.

Service industries on the other hand – particularly Public Administration and Health Care and Social Assistance – are relatively low compared to other industry sectors in both discretionary pay and in the size of the gender pay gap.

Do pay equity actions lead to better gender pay outcomes?

The strongest evidence of a causal link is provided when changes in gender pay gaps over time can be traced to specific actions or combinations of actions, while controlling as far as possible for other factors that may also be driving changes in the gender pay gap.

The WGEA data collection tracks the pay equity strategies initiated by companies over time, and also monitors how pay equity outcomes change over successive surveys. This provides us with a unique opportunity to answer the question: *Do pay equity actions lead to better gender pay outcomes?*

Our research strategy uses regression[3] methods to estimate how changes in gender pays gaps between 2015-16 and 2016-17 are driven by pay equity actions such as reporting to the Board or Executive, reviewing performance pay and correcting like-for-like pay gaps.

These estimates are reported for full-time managers and non-managers alongside the overall gender pay gaps for all full-time workers. Each regression includes controls for industry sector, firm size, gender segregation, and female Board membership, which has previously been shown to have a positive impact on narrowing gender pay gaps (Cassells et al. 2016).

Importantly, we test the impact of specific actions both in isolation and in combination with each other, in order to uncover the most influential actions that companies can take in addressing gender pay gaps. The specific actions we test are as follows:

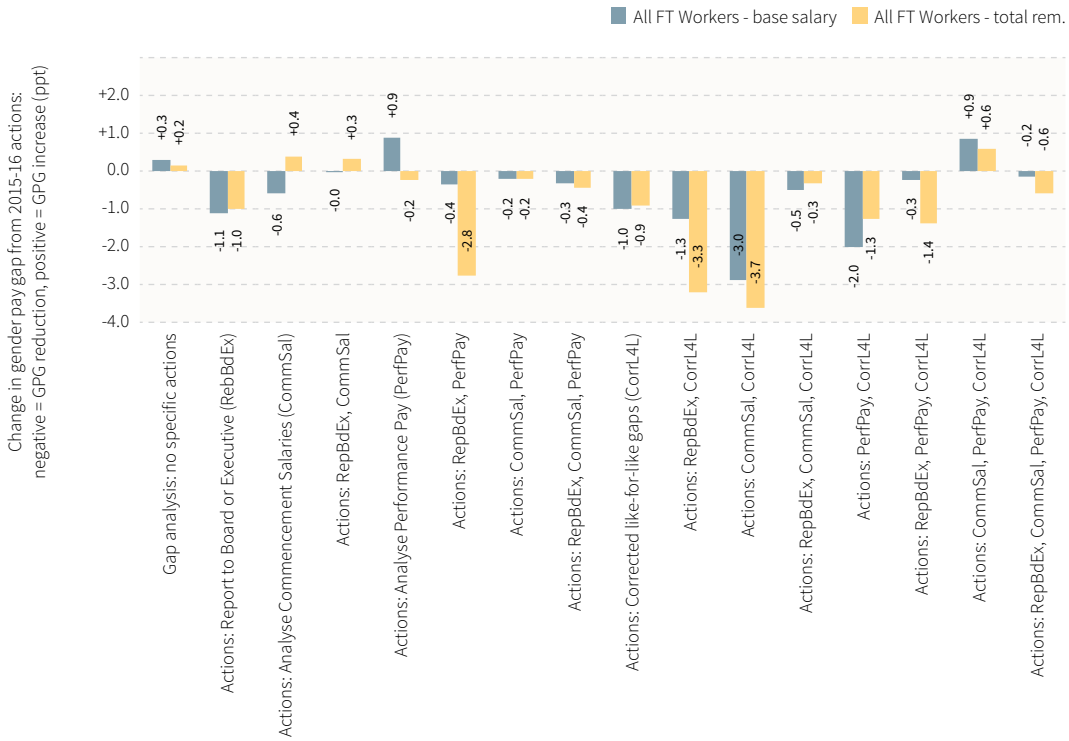
- reporting pay gaps to company Executives and Boards (**RepBrdEx**);
- analysing commencement salaries (**CommSal**);
- analysing performance ratings and performance pay (**PerfPay**); and
- correcting like-for-like pay gaps (**CorrL4L**).

Table 9 reports these estimates, illustrating the effect of particular actions or combinations of actions on the change in the gender pay gap between 2015-16 and 2016-17, measured in both base and total salary. Figure 18 and Figure 19 charts the estimated marginal effects of specific combinations of pay equity actions on gender pay outcomes as captured in Table 9.

3 See Glossary and Technical Notes for further detail about regression analysis as a methodology.

FIGURE 18

Gender pay gaps in base salary and total remuneration by combination of pay equity actions: all full-time workers



Note: Figures show the percentage point changes in gender pay gaps between 2015-16 and 2016-17 attributable to specific combinations of pay equity actions undertaken in 2015-16. Data include only those organisations present in both the 2015-16 and 2016-17 WGEA reporting data, and with both male and female workers in the relevant occupation class.
Source: Bankwest Curtin Economics Centre | Authors' estimates based on WGEA workplace data collection, 2015-16 and 2016-17.

Figure 18 shows the estimated causal effects of specific combinations of pay equity actions on gender pay outcomes for full-time workers (Table 9, columns 1 and 2). Two general conclusions can safely be drawn from these results. First, almost all combinations of pay equity actions contribute to a reduction in gender pay gaps for full-time workers; and second, most pay equity drive down gender pay gaps in total remuneration by more than gender pay gaps in base salaries. Looking at the impacts of specific combinations of pay actions on gender pay outcomes, the following findings are especially worth noting:

- Reviewing performance pay processes to ensure no gender bias, combined with reporting of pay gaps to Executives and Boards, serves to **reduce overall gender pay gaps** by an average of **2.8 percentage points in total remuneration** but with no significant impact on base salary pay gaps.
- Reviewing commencement salaries to ensure no gender bias, combined with the correction of like-for-like pay gaps, serves to **reduce overall gender pay gaps** by an average of **3.0 percentage points in base salaries**, and by **3.7 percentage points in total remuneration**.
- Correcting like-for-like gender pay gaps, combined with reporting to Executives and Boards, serves to **reduce overall org-wide gender pay gaps** by an average of **1.3 percentage points in base salaries**, and **3.3 percentage points in total remuneration**, compared with no pay audit or action.

Correcting like-for-like gender pay gaps, combined with reporting to Executives and Boards, serves to reduce overall org-wide gender pay gaps by an average of 3.3 percentage points in total remuneration.

TABLE 9

Change in full-time gender pay gaps by combinations of previous years' audit and actions: all workers, managers and non-managers

Dependent variable	All FT workers		All FT managers		All FT non-managers	
	Percentage point GPG change:		Percentage point GPG change:		Percentage point GPG change:	
	(1)	(2)	(3)	(4)	(5)	(6)
	Base salary	Total Rem.	Base salary	Total Rem.	Base salary	Total Rem.
Regressors						
Firm size (relative to 100-249 employees)						
Firm size: 250 to 499 employees	-0.398	-0.741 *	-0.657	-0.437	-0.773 *	-1.236 ***
Firm size: 500 to 999 employees	0.606	0.108	0.085	-0.225	0.271	-0.182
Firm size: 1000 to 4999 employees	-0.021	-0.007	-0.020	0.252	-0.531	-0.574
Firm size: 5000+ employees	0.180	-0.403	0.064	0.174	-0.746 *	-1.439 ***
Industry (relative to all industry average)						
Agriculture, forestry and fishing	1.817 * 19	3.266 *** 19	-1.536 4	-1.345 4	0.794 16	2.926 ** 19
Mining	-2.053 *** 1	-1.575 *** 1	-2.412 *** 1	-1.958 ** 2	-0.895 ** 2	-0.286 10
Manufacturing	-0.561 ** 6	-0.154 9	-0.821 5	-0.461 8	-0.100 11	0.519 * 14
Electricity, Gas, Water and Waste Servi	-1.324 * 2	-1.532 ** 2	-0.086 11	0.178 14	-1.333 * 1	-1.636 ** 1
Construction	-1.202 *** 3	-0.275 8	-1.720 ** 3	-1.118 5	-0.182 8	1.009 ** 16
Wholesale Trade	1.119 ** 17	1.085 ** 17	3.427 *** 18	3.563 *** 18	-0.165 9	-0.487 7
Retail Trade	0.239 11	0.203 14	1.776 *** 17	2.402 *** 17	-0.374 6	-0.618 6
Accommodation and Food Services	1.086 * 16	1.071 16	3.642 *** 19	3.853 *** 19	-0.555 5	-0.755 4
Transport, Postal and Warehousing	-0.359 8	-0.926 ** 3	0.384 14	-0.022 13	-0.101 10	-0.701 * 5
Information Media and Telecommunication	0.190 10	-0.289 7	-0.570 7	-0.887 6	0.565 15	0.039 12
Financial and Insurance Services	-1.042 *** 4	-0.904 ** 4	-0.690 6	-0.430 9	-0.620 4	-0.458 9
Rental, Hiring and Real Estate Services	-0.763 5	0.112 13	-0.304 8	1.156 16	0.062 12	0.497 13
Professional, Scientific and Technical	-0.191 9	-0.821 ** 5	0.388 15	0.909 * 15	-0.326 7	-1.201 *** 3
Administrative and Support Services	0.563 14	1.167 ** 18	0.501 16	-0.076 12	0.351 14	1.369 ** 18
Public Administration and Safety	-0.407 7	-0.073 10	-1.828 2	-2.890 1	0.809 17	1.081 17
Education and Training	0.540 13	0.234 15	0.133 12	-0.094 11	1.153 *** 18	1.002 ** 15
Health Care and Social Assistance	0.633 15	0.059 12	0.163 13	-0.667 7	0.105 13	-0.223 11
Arts and Recreation Services	0.348 12	-0.022 11	-0.231 9	-0.294 10	-0.794 3	-1.602 * 2
Other Services	1.367 ** 18	-0.626 6	-0.214 10	-1.819 3	1.607 ** 19	-0.477 8
Female dominance (relative to 40% to 60% women)						
Firm has 0-20% female workers	1.062 ***	1.000 ***	2.429 ***	2.884 ***	0.806 **	0.470
Firm has 20%-40% female workers	0.284	-0.002	-0.376	-0.273	0.704 **	0.236
Firm has 60%-80% female workers	-0.451	-0.314	0.311	0.662	-0.250	-0.290
Firm has 80%-100% female workers	-0.522	0.231	0.400	0.955	-0.031	0.559
Proportion of female Board chairs	-0.857 ***	-0.501	-0.087	0.360	-0.891 **	-0.645 *
Proportion of female Board members	-0.031	0.559	-0.182	0.075	0.844	1.448 **
Pay audit and actions (relative to no gap analysis)						
Gap analysis, no specific actions	0.295	0.158	1.230 ***	0.753	0.655 **	0.620 *
Actions: Report to Board or Executive (**RebBdEx**)	-1.080	-1.014	-0.205	-0.891	-0.639	-0.776
Actions: Analyse Commencement Salaries (**CommSal**)	-0.595	0.394	0.887	0.888	-0.749 *	0.665
Actions: RepBdEx,CommSal	-0.007	0.340	-0.370	-0.905	1.213 *	1.654 ***
Actions: Analyse Performance Pay (**PerfPay**)	0.899	-0.250	0.928	-0.181	2.333 **	0.902
Actions: RepBdEx,PerfPay	-0.374	-2.812 *	-3.939	-7.269 ***	1.919	0.363
Actions: CommSal,PerfPay	-0.214 ***	-0.212	0.652	0.144	3.309 ***	0.371
Actions: RepBdEx,CommSal,PerfPay	-0.349	-0.450	0.971	0.616	0.302	0.070
Actions: Corrected like-for-like gaps (**CorrL4L**)	-1.016	-0.922	-0.119	-0.367	-0.164	0.052
Actions: RepBdEx,CorrL4L	-1.285	-3.269 **	-9.699 ***	-12.655 ***	0.493	-0.787
Actions: CommSal,CorrL4L	-2.955 **	-3.705 ***	-1.736	-4.226 **	-1.545	-2.616 **
Actions: RepBdEx,CommSal,CorrL4L	-0.500	-0.344	-0.817 **	-2.120 **	-0.178	-0.303
Actions: PerfPay,CorrL4L	-1.979 **	-1.284 **	-0.733	-0.789	-1.994 **	-0.601
Actions: RepBdEx,PerfPay,CorrL4L	-0.259	-1.400	-1.463	-1.598	0.314	-1.160
Actions: CommSal,PerfPay,CorrL4L	0.864	0.600	1.371	0.195	1.554 **	1.738 **
Actions: RepBdEx,CommSal,PerfPay,CorrL4L	-0.151	-0.618	-0.070	-0.563	1.084 **	0.652
Company has overall remuneration strategy	-0.194	-0.471 *	-0.653	-0.355	-0.058	-0.614 **
Constant	-0.333	-0.077	-0.308	-0.618	-0.287	0.229
Number of firms	4,167	4,167	3,913	3,913	4,106	4,106
F-statistic	2.80	2.57	2.87	3.47	2.69	2.84

Note: Regressions are estimated on samples that include only those organisations in both the 2015-16 and 2016-17 waves of the WGEA reporting data, and who have both male and female workers in the relevant occupation class. All dependent variables relate to the percentage point change in gender pay gap the between 2015-16 and 2016-17 WGEA samples. Specific dependent variables are: percentage point change in overall gender pay gap in base salary (column 1) and total remuneration (column 2) for full-time workers; percentage point change in gender pay gaps in base salary (column 3) and total remuneration (column 4) between male and female full-time managers, and; percentage point change in gender pay gaps in base salary (column 5) and total remuneration (column 6) for full-time non-managerial workers. Pay audit and action combinations relate to actions during 2015. Parameter significance is indicated for p-values of less than 10% (*), 5% (**) and 1% (***).

Source: Bankwest Curtin Economics Centre | Authors' estimates based on WGEA workplace data collection, 2015-16 and 2016-17.

Managers

Findings reported earlier in this report showed that managerial gender pay gaps were more likely to be impacted by workplace pay audits, and resulting actions stemming from these, than the non-managerial workforce. Here, we test this relationship further and pay particular attention to the role that pay equity actions have on total remuneration, which as demonstrated earlier, plays a much bigger role within the managerial workforce.

Figure 19 shows the estimated causal effects of specific combinations of pay equity actions on gender pay outcomes for full-time managers (Table 9, columns 3 and 4). Among the findings, the most striking are that:

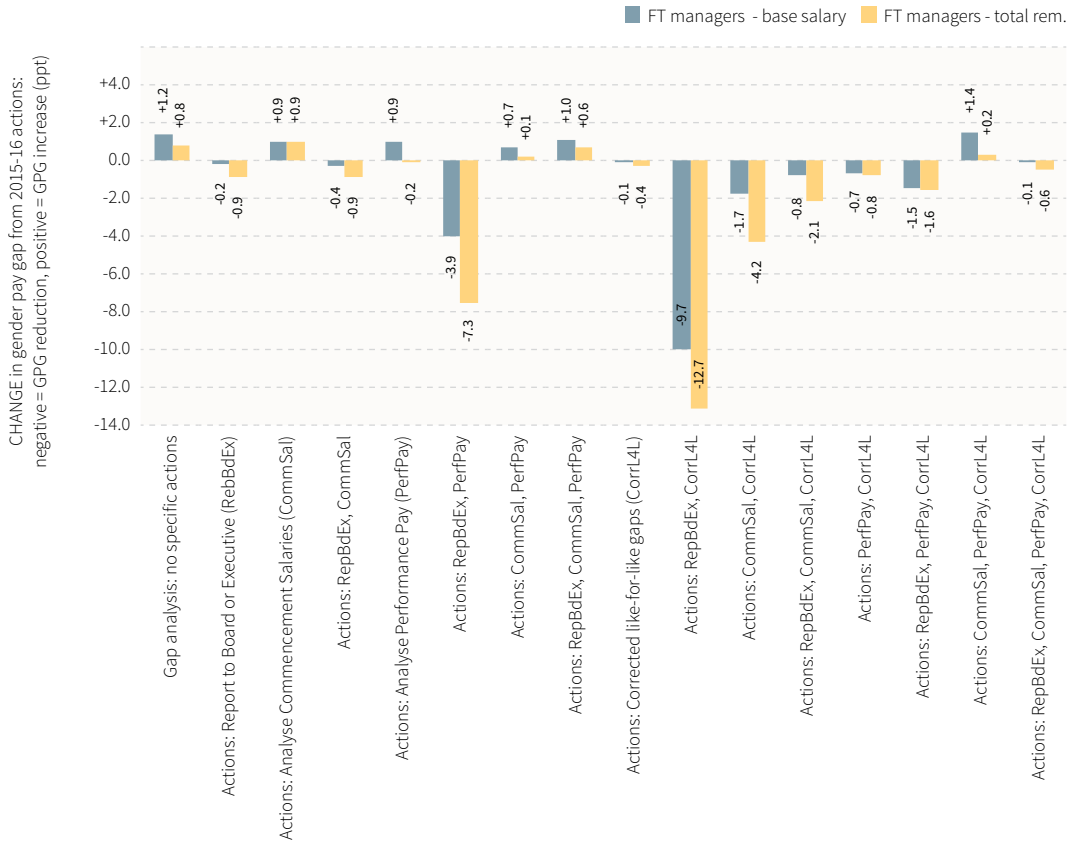
- companies that initiate actions to correct like-for-like gender pay gaps, combined with reporting to Executives and Boards, are shown to **reduce managerial gender pay gaps** by an average of **9.7 percentage points in base salaries**, and **12.7 percentage points in total remuneration** compared with companies that undertake no pay audit or action.
- companies that review of performance pay processes to ensure no gender bias, combined with reporting of pay gaps to Executives and Boards, are shown to **reduce managerial gender pay gaps** by an average of **3.9 percentage points in base salaries**, and by **7.3 percentage points in total remuneration**.
- companies that review commencement salaries to ensure no gender bias, combined with the correction of like-for-like pay gaps, are shown to **reduce managerial gender pay gaps** by an average of **1.7 percentage points in base salaries**, and by **4.2 percentage points in total remuneration**.

Companies that initiate actions to correct like-for-like gender pay gaps, combined with reporting to Executives and Boards, are shown to reduce managerial gender pay gaps by an average of 9.7 percentage points in base salaries, and 12.7 percentage points in total remuneration compared with companies that undertake no pay audit or action.

The findings reported in Table 9, and especially the illustrations in Figure 18 and Figure 19, represent some of the strongest empirical evidence to date that improved gender pay outcomes are delivered by companies that combine pay audits with specific pay equity actions, and reinforce the effectiveness of those actions with accountability through reporting to company Executives and Boards. These findings also highlight the critical role that gender diversity in company leadership plays in reducing gender pay gaps.

FIGURE 19

Gender pay gaps in base salary and total remuneration by combination of pay equity actions: full-time managers



Note: Note: Figures show the percentage point changes in gender pay gaps between 2015-16 and 2016-17 attributable to specific combinations of pay equity actions undertaken in 2015-16. Data include only those organisations present in both the 2015-16 and 2016-17 WGEA reporting data, and with both male and female workers in the relevant occupation class.
Source: Bankwest Curtin Economics Centre | Authors' estimates based on WGEA workplace data collection, 2015-16 and 2016-17.

DISCUSSION AND SUMMARY

DISCUSSION AND SUMMARY

The *BCEC|WGEA Gender Equity Insights* report series provides some of the most comprehensive analysis on gender pay gaps currently in Australia. Drawing on unique data source collected by WGEA covering 4 million employees and more than 11,000 employers, each report shows how gender pay gaps are tracking for full-time, part-time and casual workers at different levels of occupational seniority, by industry sector, and on measures relating either to base salaries or total remuneration.

This third report takes the narrative in a new direction, with a series of special investigations that provide hard evidence on the sorts of actions that companies can take to drive change and promote greater gender pay equity.

How have gender pay gaps changed?

The latest WGEA reporting data show that the overall gender pay gap in base salaries narrowed marginally to 17.3% in 2017, down 0.4 percentage points over the year and by 1.7 percentage points since 2015. Most of this stems from reductions in gender pay gaps among full-time managers, and more so at more senior managerial levels.

The picture for non-managers in more mixed. Full-time gender pay gaps in total remuneration increased between 2015 and 2017 for sales workers (up 1.7 percentage points to 23.9%) and technicians and trade workers (up 2.1 percentage points to 26.7%) balanced by reductions in the full-time gender pay gap for professionals (down 0.8 percentage points to 19.4%).

Policies and pay gap audits

This report finds that more Australian organisations than ever before are taking specific actions on pay equity, especially among companies in the Financial and Insurance and Mining sectors. Almost two-thirds of organisations in the Finance and Insurance Services and Mining sectors undertook a pay equity audit in 2017, compared to an industry-wide average of around 38%.

Proportionately, fewer organisations have undertaken a pay gap analysis within female-dominated sectors such as Education and Training and Health Care and Social Assistance. Only around one sixth of organisations within the Education and Training sector undertook a pay gap analysis in 2017, although the sector has improved to some degree between 2016 and 2017. Companies in the Health Care and Social Assistance sector fare better on this metric, with around 20% of organisations conducting a pay audit in 2017 - nearly double the share a year earlier.

While gender pay differences in these sectors are generally lower, this shouldn't lessen the importance of regular pay audits and policies to drive further progress towards gender pay equity.

Actions taken on pay gap audits

More than half of those organisations that conducted a pay gap analysis also took definitive action in light of the results. The most common type of action to take was to report to the Executive, followed by reviewing performance pay. These behaviours are also more common in sectors where total remuneration includes a larger share of discretionary pay, such as Finance and Insurance; Rental, Hiring and Real Estate; and the Utilities sectors.

Some commentators have challenged whether gender pay gaps in Australia are a real and relevant concern, and argue that inequalities in pay between men and women can be explained by the different ways that women and men work, or the different roles that women and men play at an equivalent occupational level within an organisation.

This report series has shown that significant gender pay gaps remain once compositional differences between women and men are accounted for, by comparing their remuneration at the same level of occupational seniority, in the same industry, and within the same employment status.

And compelling evidence that pay gaps are a real issue in Australia comes from the actions of the companies that pay employees' salaries. More organisations than ever before are implementing specific actions to address like-for-like pay inequities, nearly doubling from 12.3% to 21% in the two years to 2017 among companies that undertook pay audits.

From actions to outcomes

Nearly two thirds of companies have initiated more than a single action following the conduct of a pay gap audit. Of those organisations that implemented performance ratings and pay reviews following a pay audit, nine in ten have introduced other pay equity actions too – whether correcting like-for-like pay gaps, analysing commencement salaries, or reporting outcomes to the Executive or Board. The same is true whichever action is examined.

Measurement combined with action and accountability is the trifecta that drives the strongest improvements in pay equity outcomes.

The power of pay equity actions implemented in combination rather than in isolation is even more apparent for managers. The gender pay gap among top-tier managers reduced on average by 5 percentage points for those organisations that both undertook a pay gap audit and took action. In monetary terms, this equates to a decrease in total remuneration of almost $4,000 on average among top-tier male managers, and an increase in total salary for top-tier female managers of around $24,000 between 2016 and 2017.

Gender pay gaps in total remuneration for full-time managers fell substantially between 2016 and 2017 for those companies that combined actions to correct like-for-like pay gaps with reporting to the Executive and Board. Reviews of performance ratings and pay processes are also shown to be more effective when combined with Executives and Board reporting.

Challenges

The findings in this latest *BCEC|WGEA Gender Equity Insights* report also brings into sharp focus some of the challenges companies face in driving greater pay equity.

First, pay gap audits and actions are shown to be more effective in reducing gender pay differentials for managerial occupations, and also more in relation to discretionary pay. Industries with higher rates of discretionary pay also tend to have larger gender gaps in total remuneration among senior managerial occupations, creating what the first report in this series termed a 'male bonus premium'.

Reducing the gap in discretionary pay between genders remains a challenge. Progress has been made in some sectors that provide the highest rates of discretionary pay. Companies in the Financial and Insurance services sector, for example, have reduced the gender pay gap in total remuneration progressively over three years from 35% in 2015 to 31.2% now. However, the story is somewhat different in Rental, Hiring and Real Estate Services, where the equivalent pay gap has risen by 2 percentage points to 31.4% over the same period.

Second, pay equity actions have reduced gender pay gaps at management level, but have generally been less effective in driving gender pay equity among non-managerial occupations. Part of the explanation may relate to the institutional structures in place in the Australian labour market, with non-managerial pay more commonly regulated by awards and enterprise bargaining agreements.

Whatever the reason, the research findings in this report highlight the imperative for companies to implement policies to promote gender pay equity at all levels of their organisation.

Charting a course to gender pay equity

So what does a good program of action look like for companies seeking to address gender pay inequities?

1. **Pay equity audits in terms of both base salaries and discretionary pay**
   More companies than ever before undertook a pay equity audit in 2017. This is an encouraging trend, and demonstrates that more Australian businesses are serious in their commitment to redress gender imbalances in both base salaries and discretionary pay. The findings in this report show the value of undertaking pay audits, and critically, taking action as an important step towards narrowing gender pay gaps at all levels of the organisation.

2. **Specific pay actions narrow the gender pay gap**
   Specific pay equity actions have been shown to have a measurable impact on pay equity. Men's and women's salaries are gradually being brought into line,and more so among senior managers. Reviews of performance pay, and actions to correct like-for-like pay gaps contribute to a greater degree of fairness in company remuneration policy, especially at management level. Non-managerial gender pay gaps are lower for companies that analyse commencement salaries from a pay equity perspective.

3. **Pay actions work better in combination than in isolation**
   Companies are far more likely to initiate multiple pay equity actions in response to a gender pay gap analysis, rather than focusing on one action alone. And this report shows that an integrated program of action works. Improved gender pay outcomes are delivered more effectively by those organisations that undertake pay equity actions in combination.

4. **Reporting on pay equity metrics at Executive and Board level**
   Reporting on progress at senior leadership and Board level ensures a greater accountability in targeting organisational gender pay equity. Improved gender pay outcomes are far stronger when companies combine pay audits with specific pay equity actions, and reinforce the effectiveness of those actions through reporting to company executives and Boards.

   The power of action with accountability proved to be especially effective in narrowing pay differentials between women and men in more senior positions. For example, actions to correct like-for-like gender pay gaps are three times as effective in reducing overall pay inequities when combined with reporting to Executives and Boards. Reviews of performance ratings and pay processes are also more effective when combined with Executives and Board reporting.

5. **Greater female representation on company Boards**
   Diversity in leadership is key to improving pay equity. This report again shows that greater female Board membership, has a demonstrably positive impact in driving more equitable pay across all levels of the organisation. These results reinforce findings from earlier reports in the *BCEC|WGEA Gender Equity Insights* series.

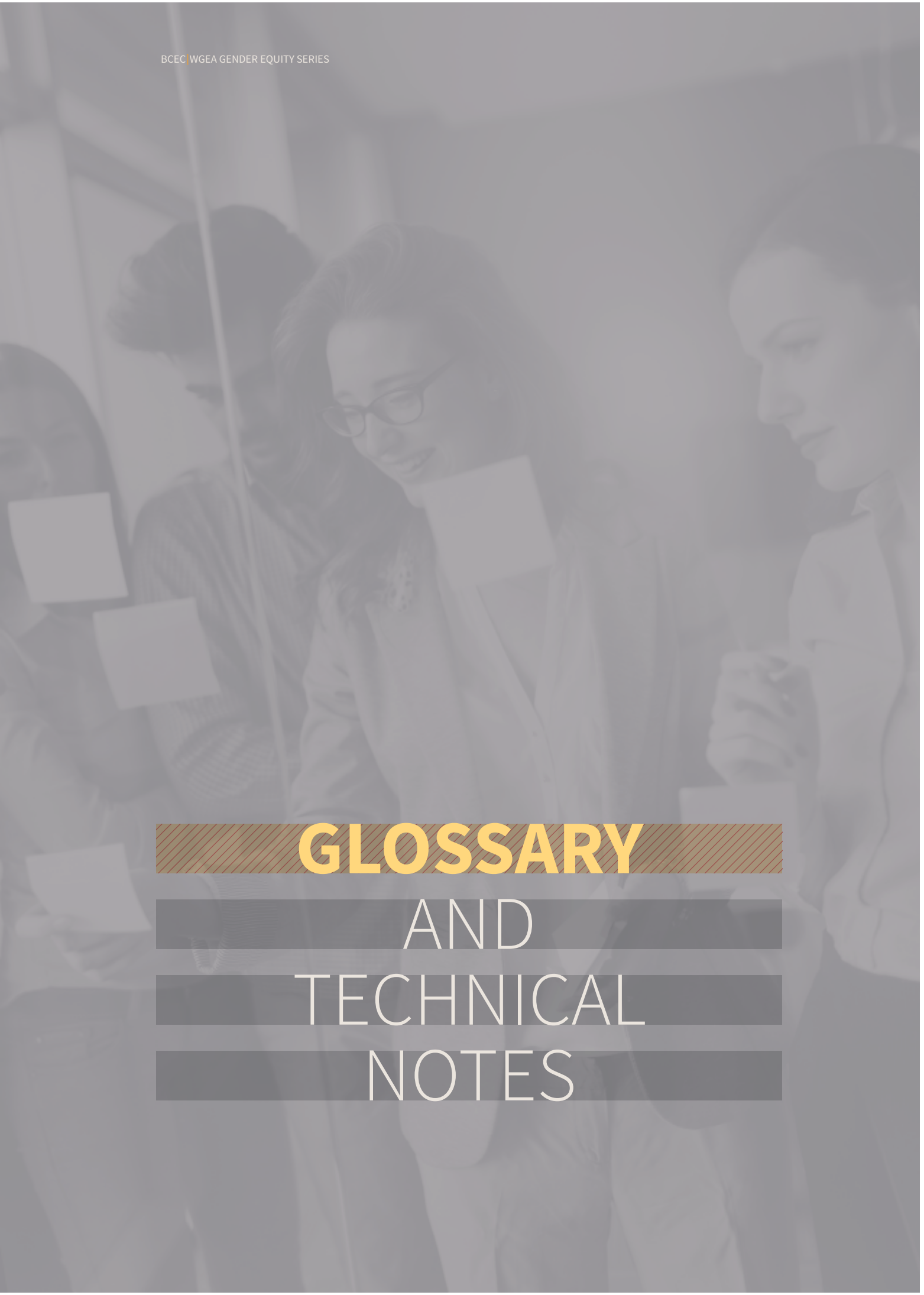
6. **Recognition of the value of business roles within an organisation**
   Gender pay gaps have narrowed in management roles, but the largest proportionate pay differences still occur at the top of the organisation. Our findings invite action by businesses to ensure gender equity in selection, progression and promotion opportunities for the most senior roles in an organisation, and remuneration packages that reflect a fair reward for the contributions of senior executive leaders and key management personnel across different portfolios of the business.

The persistent gender pay gap in Australia remains an issue of concern, and one that needs to be addressed to ensure that the contributions of all employees are recognised and rewarded, and that Australian businesses capitalise on the full potential of its workforce.

The findings in this report offer some encouragement that Australian businesses are taking the issue of gender pay equity seriously, with far more seeking to measure pay differences and review remuneration policies and processes throughout their organisations.

But measurement alone is not enough to break the inertia.

What this report proves most is that Australian companies need not only to commit to pay audits to address potential gender bias in remuneration policies, but to follow through with actions around such policies to make a real difference to pay equity outcomes.



GLOSSARY AND TECHNICAL NOTES

GLOSSARY AND TECHNICAL NOTES

About the WGEA Gender Equality Data Collection

This report uses the 2013-14, 2014-15, 2015-16 and 2016-17 WGEA Gender Equality datasets, which are a unique data collection within Australia. The dataset came to existence through the introduction of the Workplace *Gender Equality Act 2012*, which was legislated to promote and improve gender equality in remuneration and employment within Australian workplaces. The Act requires relevant[4] employers to report annually against a number of Gender Equality indicators. The dataset is effectively a Census of all private businesses that have 100 or more employees and can be considered population level data. The first reporting year of the WGEA data was 2013-14.

The 2016-17 WGEA Gender Equality dataset is based on 4,621 reports submitted on behalf of more than 11,000 employers in accordance with the Act for reporting period 1 April 2016 to 31 March 2017. The dataset captures more than 4 million employees – which equates to approximately 40% of all employees in Australia.

The WGEA Gender Equality data collection does not cover public sector organisations, and is therefore likely to demonstrate different patterns because of this, particularly when assessing the characteristics of these organisations within industry groupings that have a large public sector presence. It also does not cover small businesses and a significant proportion of medium sized businesses that have less than 100 employees.

Measurement of Pay

Two principal measurements of remuneration are captured within the WGEA data, with organisations reporting both the average 'base' salary and 'total' remuneration each employee receives.

Base salary is considered to be the annual salary, including salary sacrificed items, but excluding allowances, superannuation and any other additional payments. Total remuneration includes base salary plus any additional benefits whether payable directly or indirectly, whether in cash or in a form other than cash. Includes among other things, bonus payments (including performance pay), superannuation, discretionary pay, other allowances, and other (for example share allocations). Overtime is included as the actual overtime amount paid.

Part-time and casual remuneration data collected within the WGEA Workplace profile dataset is based upon a full-time equivalent (FTE) annualised value that is estimated by each reporting organisation. A calculator is provided to organisations as a support tool to convert part-time wages and salaries to annual FTE values.

Measurement of the Gender pay gap

The gender pay gap measures the amount by which women's salaries fall below or exceed men's salaries in percentage terms. Specifically, it is measured as:

$$\text{Gender pay gap} = \left[1 - \frac{\text{Female salary}}{\text{Male salary}}\right] \times 100$$

If the average gender pay gap in a particular sector is positive, it indicates that women's salaries are on average lower than men's in the sector. On the other hand, if the average gender pay gap is negative, it indicates that women's salaries exceed mens' on average.

[4] See Definitions for further information.

Regression Analysis

Regression is a statistical approach that captures multiple associations between explanatory factors and an outcome of key interest (in our case, gender pay gaps).The main benefit of regression methods is that one can isolate the 'marginal' impact of specific factors on an outcome of interest, having 'controlled' for other coincidental factors that may also have an influence on the outcome. A brief description of the benefits, limitations and assumptions for this modelling method is provided in the Glossary section of this report.

There may be other coincidental associations and drivers of gender pay gaps that cause such patterns to emerge. For example, there may be systematic differences in the characteristics of organisations that initiate actions to reduce gender pay gaps, compared with those that don't. It is important that these additional characteristics are accounted for when seeking to capture the impact of pay actions on gender pay outcomes. Otherwise, the attribution of a change in gender pay gaps to a pay action may in reality be caused by some other firm characteristic.

Definitions

Gender Dominance

Male-dominated organisations are classified as those where 60% or more of the workforce are men, female-dominated organisations are those were 60% or more of employees are women and mixed organisations otherwise.

Relevant Employer

A relevant employer is a non-public sector employer with 100 or more employees in Australia.

Base Salary

The annual salary, including salary sacrificed items, but excluding allowances, superannuation and any other additional payments.

Total Remuneration

Includes base salary plus any additional benefits whether payable directly or indirectly, whether in cash or in a form other than cash. Includes among other things, bonus payments (including performance pay), superannuation, discretionary pay, other allowances, and other (for example share allocations). Overtime is included as actual overtime amount paid.

Part-time Employees

Employees who are engaged to work a minimum number of hours per week, that is, less than what constitutes full-time hours in a specific reporting organisation. These are reasonably predictable hours with a guaranteed number of hours of work.

Full-time Employees

Employees who are engaged to work a minimum number of hours per week defined as full-time by a specific reporting organisation. Hours are reasonably predictable with a guaranteed number of hours of work per week. Please refer to what constitutes full-time hours in your specific organisation, for example 37.5, 38 or 40 hours per week.

Casual Employees

An employee working on an irregular and unsystematic schedule, who has little or no expectation of the continuation of work or guaranteed income, and who has the ability to accept and reject work as they see fit.

Occupations

Within the WGEA Gender Equality data collection, information about both managerial and non-managerial occupations is collected and allows for comparisons of the representation of men and women among different occupation levels and the remuneration of each within these levels.

Among the managerial occupations, five hierarchical sub-categories exist. These categories range from CEO (highest) to other managers (lowest), with progression to CEO denoting a higher level of responsibility and expected remuneration.

The non-managerial classifications primarily consist of the Australian and New Zealand Standard Classification of Occupations (ANZSCO), which is also a skill-based classification, used to classify all occupations and jobs in the Australian and New Zealand labour markets. The non-managerial occupation scale is also hierarchical, ranging from professionals to labourers and general reflects a greater level of skill and training the higher the occupation level.

Managers

Managers comprise of all occupations from Other Manager to key management personnel.

Non-managers

Non-managers comprise occupations listed from labourers to professionals.

CEO (or equivalent)

The Chief Executive Officer (CEO) (or equivalent, however named) is the highest ranking corporate officer (executive) or an administrator in charge of management of an organisation. The CEO (or equivalent) is reported on separately to other key management personnel. Examples of the CEO could (depending upon the nature of the organisation) also be the managing director, general manager, managing partner, principal or vice chancellor.

Key management personnel (KMP)

Have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, in accordance with Australian Accounting Standards Board AASB124.

The KMP is a manager who represents at least one of the major functions of the organisation and participates in organisation-wide decisions with the CEO.

Other executives/general managers

An 'other executive/general manager' holds primary responsibility for the equivalent of a department or a business unit. In a large organisation, this manager might not participate in organisation-wide decisions with the CEO.

Senior managers
'Senior managers' are charged with one or more defined functions, departments or outcomes. They are more likely to be involved in a balance of strategic and operational aspects of management. Some decision making at this level would require approval from either of the two management levels above it. 'Senior managers' are responsible for resourcing, a budget and assets (capital expenditure).

Other managers
'Other managers' plan, organise, direct, control and coordinate an operational function. They usually oversee day to day operations, working within and enforcing defined company parameters.

An 'other manager' is accountable for a defined business outcome which usually involves the management of resources that also includes time management, coordination of different functions or people, financial resources, and other assets (for example facilities or IT infrastructure). Line managers would be included in this category.

Professionals
Perform analytical, conceptual and creative tasks through the application of theoretical knowledge and experience in the fields of the arts, media, business, design, engineering, the physical and life sciences, transport, education, health, information and communication technology, the law, social sciences and social welfare.

Technicians and trades employees
Perform a variety of skilled tasks, applying broad or in-depth technical, trade or industry specific knowledge, often in support of scientific, engineering, building and manufacturing activities.

Community and personal service employees
Assist health professionals in the provision of patient care, provide information and support on a range of social welfare matters, and provide other services in the areas of aged care and childcare, education support, hospitality, defence, policing and emergency services, security, travel and tourism, fitness, sports and personal services.

Clerical and administrative employees
Provide support to managers, professionals and organisations by organising, storing, manipulating and retrieving information.

Sales employees
Sell goods, services and property, and provide sales support in areas such as operating cash registers and displaying and demonstrating goods.

Machinery operators and drivers
Operate machines, plant, vehicles and other equipment to perform a range of agricultural, manufacturing and construction functions, and move materials.

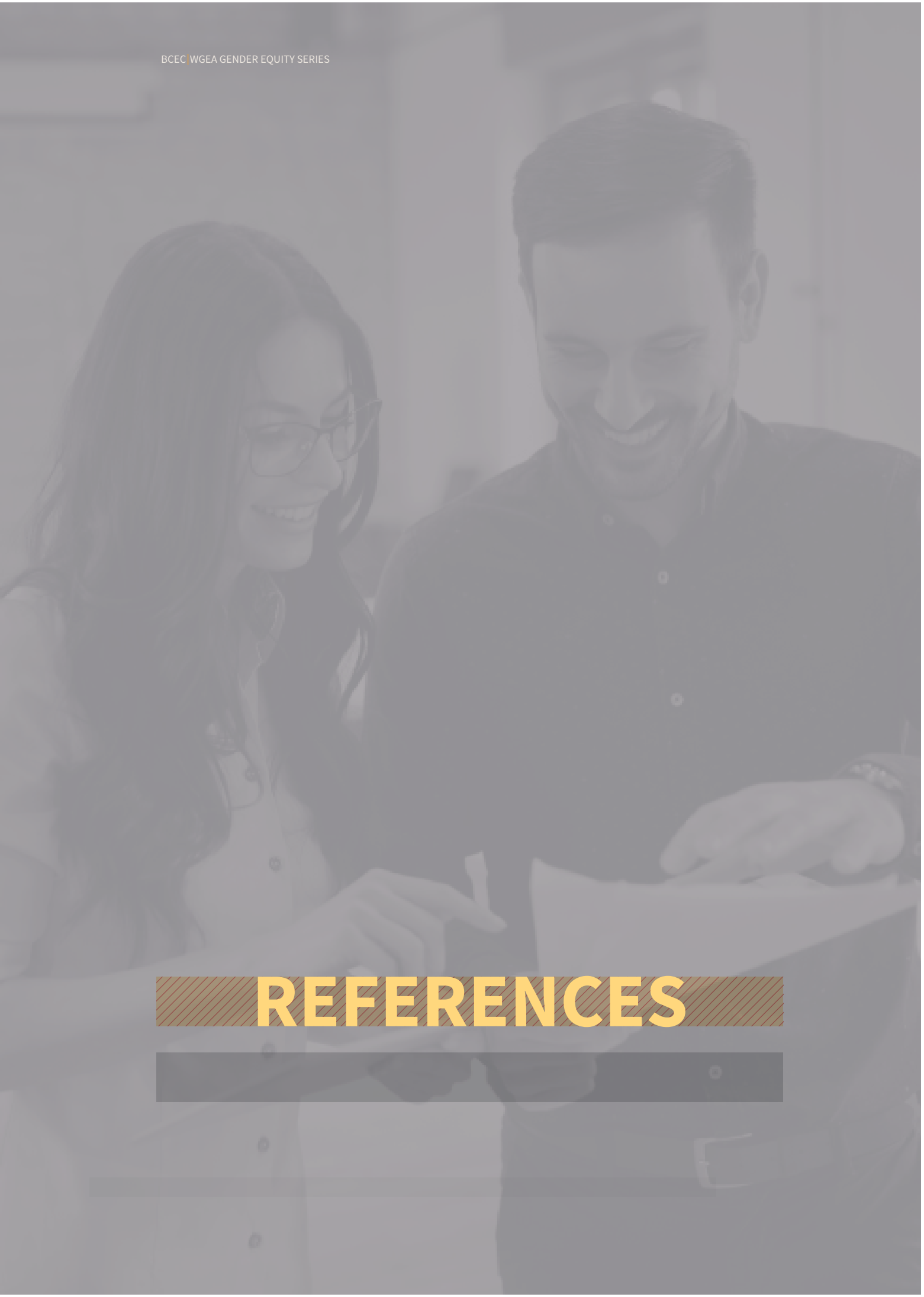
Labourers
Perform a variety of routine and repetitive physical tasks using hand and power tools, and machines either as an individual or as part of a team assisting more skilled workers such as Trades Workers, and Machinery Operators and Drivers.

Other
Employees whose work is not defined by the above categories.

Graduate

Any person employed in a formal graduate program. Someone who has graduated from a tertiary institution but is NOT part of a formal graduate program, is not to be included in this category.

Apprentice
Any person employed by an employer as an apprentice. A trainee is not considered an apprentice so should not be included in this category.



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It can be cited as: Cassells R and Duncan A (2018), 'Gender Equity Insights 2018: Inside Australia's Gender Pay Gap', BCEC|WGEA Gender Equity Series, Issue #3, March 2018.

ISBN: 978-1-925083-78-1

Acknowledgements

The authors would like to thank WGEA staff for ongoing advice around the WGEA Gender Equality data collection.

This paper uses de-identified data from the Workplace Gender Equality Agency's compliance reporting and benchmarking dataset. The findings and views reported in this paper are those of the authors and should not be attributed to the Workplace Gender Equality Agency.

APPENDIX

TABLE A1

Number employees by industry, employment status and gender, 2017

Industry	Men			Women			
	Full-time	Part-time	Casual	Full-time	Part-time	Casual	Total
Agriculture, Forestry and Fishing	10,288	297	6,896	3,908	730	5,392	27,511
Mining	110,274	876	3,117	19,040	2,283	622	136,212
Manufacturing	228,237	4,276	15,789	67,326	11,759	10,092	337,479
Electricity, Gas, Water and Waste Services	28,928	361	2,589	8,376	1,648	328	42,230
Construction	89,049	1,527	9,396	15,444	2,933	2,108	120,457
Wholesale Trade	63,603	2,415	6,307	27,504	7,266	8,563	115,658
Retail Trade	116,524	74,273	86,951	98,052	147,406	141,096	664,302
Accommodation and Food Services	28,146	20,558	47,416	23,891	27,551	54,596	202,158
Transport, Postal and Warehousing	111,454	10,453	21,505	33,558	10,823	7,187	194,980
Information Media and Telecommunications	68,434	3,685	6,969	34,069	8,519	6,819	128,495
Financial and Insurance Services	113,980	5,064	1,602	106,782	40,536	3,312	271,276
Rental, Hiring and Real Estate Services	19,723	502	3,542	12,565	2,542	2,780	41,654
Professional, Scientific and Technical Services	145,433	3,991	16,313	76,058	18,884	13,962	274,641
Administrative and Support Services	44,888	17,091	86,828	35,227	26,395	57,135	267,564
Public Administration and Safety	12,991	1,997	2,885	2,887	1,004	927	22,691
Education and Training	82,693	14,272	51,656	106,767	69,250	81,919	406,557
Health Care and Social Assistance	48,347	45,842	29,460	115,867	269,155	114,613	623,284
Arts and Recreation Services	19,351	6,412	18,147	11,211	8,487	23,917	87,525
Other Services	26,504	2,799	6,519	14,748	6,383	4,585	61,538
Total	1,368,847	216,691	423,887	813,280	663,554	539,953	4,026,212

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ADV106268