

## NATIONAL GENDER PAY GAP

### What is the gender pay gap?

The **gender pay gap** is the difference in average earnings between women and men in the workforce.

Gender inequality is a lifelong issue that limits women's earnings and financial freedom from the day they join the workforce, throughout their careers, before financially compromising their retirement. The gender pay gap is a measurable indicator of this inequality. Expressed as a percentage or a dollar figure, it reflects the financial impact of gender-based discrimination in the workforce.

The gender pay gap is not to be confused with women and men being paid the same for the same, or comparable, job. This is **equal pay**.

In Australia, this has been a legal requirement since 1969. Gender pay gaps are not a comparison of like roles. Instead, they show the difference between the average pay of women and men across organisations, industries, and the workforce as a whole.

### How is the gender pay gap calculated?

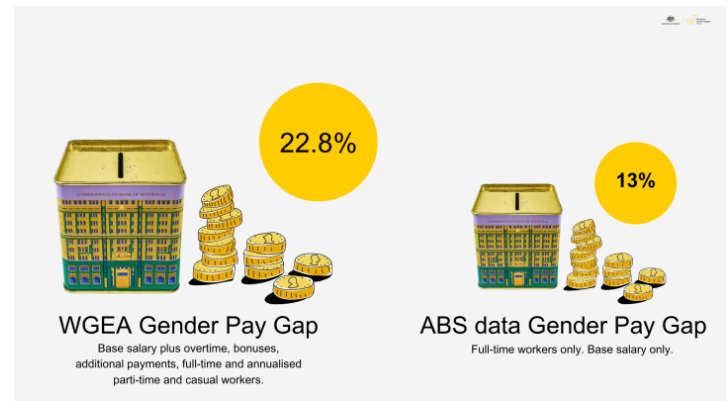
The gender pay gap is the difference between the average earnings for men and women, expressed as a percentage of men's average earnings. As an equation, that is:

$$\frac{(\text{Average remuneration of men} - \text{average remuneration of women})}{\text{Average remuneration of men}} \times 100$$



Australia reports two gender pay gaps at a national level.

This is because Australia has two key data sets with different information on employee wages (remuneration). Using this data, the gender pay gap can also be broken down by state, industry, and age. Calculating the gender pay gap from both data sets allows us to track trends and differences that will lead to more equal workplaces for all employees.



The calculation doesn't change. The gender pay gaps are different because of the way 'pay' is measured in the datasets used to calculate these numbers. This difference means the national gender pay gap is often lower than WGEA's gender pay gap.

Pay can be defined as base salary or total pay, which includes super and bonuses. It could be what someone earns in an hour, a week or a whole year. It can be full-time workers only or include part-time and casual workers too. WGEA uses:

- the annual WGEA Employer Census data to calculate the **WGEA gender pay gap**
- the Australian Bureau of Statistics (ABS) Survey of Average Weekly Earnings to calculate **the national gender pay gap**

There are many different datasets that can be used to calculate a gender pay gap. It doesn't matter what data you use; every dataset shows a gender pay gap in favour of men in every industry and occupation.

The Australian Bureau of Statistics provides a [helpful guide to all the different approaches to measuring a gender pay gap](#) in Australia. You can also find out more about [what the ABS data includes and excludes when it defines 'pay'](#) at the WGEA website under 'How to calculate a gender pay gap?'



## Are employer's gender pay gaps published?

WGEA does not currently publish employer gender pay gaps. Instead, a confidential report is provided to employers on their gender pay gaps. However, the [Workplace Gender Equality Amendment \(Closing the Gender Pay Gap\) Act 2023](#) requires WGEA to publish employer gender pay gaps from early 2024.

For the first release, WGEA will only publish by median and remuneration quartiles. In future reporting – when CEO, head of business and casual manager remuneration data can be included – employer gender pay gaps will be published by mean, median and employer remuneration quartiles.

When it comes to the gender pay gap, you cannot fix what isn't being measured. Employers play a critical role in achieving gender equality.

Publishing employer gender pay gaps in the UK has shown to lead companies to make improvements that prioritise gender equality and to a lowering of gender pay gaps. It's also giving employees the information they need to make informed decisions in their careers. For example, women looking for work have been willing to accept a cut in salary to avoid an employer with a big gender pay gap.

Encouraging accelerated action by employers will drive improved workplace policies, practices and environments that support gender equality and will see meaningful shifts in Australian working life.

## What causes the gender pay gap?

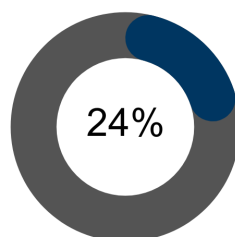
The gender pay gap is a consequence of the many disadvantages all genders face in the workplace. Gender-based discrimination in the workforce can be direct or indirect. Direct examples of discrimination include sexual harassment and unequal pay.

Often, it is the indirect forms of discrimination which limit women's earning ability, including biases in progression and promotion opportunities. These factors include:

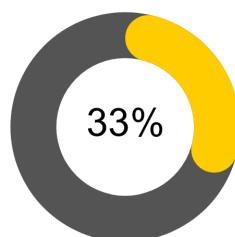
- Conscious and unconscious discrimination and bias in hiring, promotion and pay decisions
- Women and men working in different industries and different jobs, with female-dominated industries and jobs attracting lower wages
- Lack of workplace flexibility to accommodate caring and other responsibilities, especially in senior roles
- Women's greater time out of the workforce for caring responsibilities impacting career progression and opportunities
- Women's disproportionate share of unpaid caring and domestic work

Learn more about the drivers of the gender pay gap in our [She's Price\(d\)less: The economics of the gender pay gap](#) research we do with Diversity Council Australia and KPMG. See the report at [www.wgea.gov.au](http://www.wgea.gov.au)

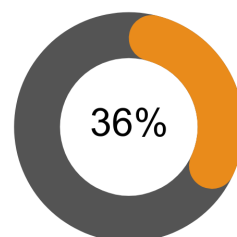
## Drivers of the gender pay gap



OCCUPATIONAL & INDUSTRIAL SEGREGATION



CARE, FAMILY & WORKFORCE PARTICIPATION



GENDER DISCRIMINATION