



Frequently Asked Questions

Background

1. What is happening?

Under new legislation, the Workplace Gender Equality Agency will publish employer gender pay gaps for all private sector organisations with more than 100 employees for the first time on 27 February 2024. This will cover 1 April 2022 - 31 March 2023 reporting.

WGEA will be publishing employer gender pay gaps by median as well as the gender composition and average remuneration per pay quartile.

As private and public sector organisations follow different reporting timelines, the first release of Commonwealth public sector organisation's gender pay gaps will be published in late 2024 or early 2025. This will cover 1 January 2023 – 31 December 2023 reporting.

2. Why is WGEA publishing employer gender pay gaps?

The new standards of disclosure are the result of amendments to the *Workplace Gender Equality Act 2012* passed by Federal Parliament in March 2023. These reforms aim to improve transparency, accountability and motivate action to accelerate progress on gender equality in workplaces.

3. What are gender pay gaps?

Gender pay gaps are aggregate measures of progress on achieving gender equality. They provide a comparison of the average or 'typical' earnings of women and men at a cohort, organisation, industry or national level. Expressed as a percentage (women's average or median as percentage of men's average or median) the higher the percentage, the larger the gender pay gap in favour of men.

4. How is the gender pay gap different from pay inequality (equal or like-for-like) pay?

While related, pay inequality and gender pay gaps are two different aspects of compensation disparity.

Pay equality – when women and men are paid the same for performing the same role or different work of equal or comparable value – has been a legal requirement since 1969.

Employer gender pay gaps, reflect the overall uneven distribution of compensation in an organisation driven by the fact that women and men are not performing comparable roles or have comparable levels of seniority within organisations - as opposed to not getting paid the same for comparable roles.

Pay inequality is more about individual disparities, while gender pay gaps represent disparities across cohorts and society more broadly.

5. Is 'the gender pay gap' one figure or are there many different gender pay gaps?

There are many different ways to measure gender pay gaps. Each measure provides different insights into the drivers and strategies that will be effective to close the gender pay gaps. For many years in Australia, the national gender pay gap figure has been the primary measure publicly shared to highlight the disparity between the average earnings of women and men, hence the familiarity with the term 'The gender pay gap'.

From 2024 organisations have been provided with an expanded gender pay gap data set, showing average and median gaps, and remuneration distribution by quartile. While these measures are related, they are different representations of employer compensation data and different figures, hence the recent shift to the use of the term 'gender pay gaps'.

Gender pay gaps are also calculated and expressed in relation to base pay and total remuneration figures - total remuneration includes pay incorporating superannuation, bonuses, overtime etc.

It is important these different data points are viewed together to offer comprehensive insights into the distribution of earnings by gender, drivers of gender pay gaps and potential solutions.

6. What are the different measures of gender pay gaps?

For more detail on the different measures of gender pay gaps, see pages 8-9 of the Champions of Change Coalition's new report, *Closing gender pay gaps: Our actions and commitment* (weblink will be live 1:00 am AEDT, 27 February 2024).

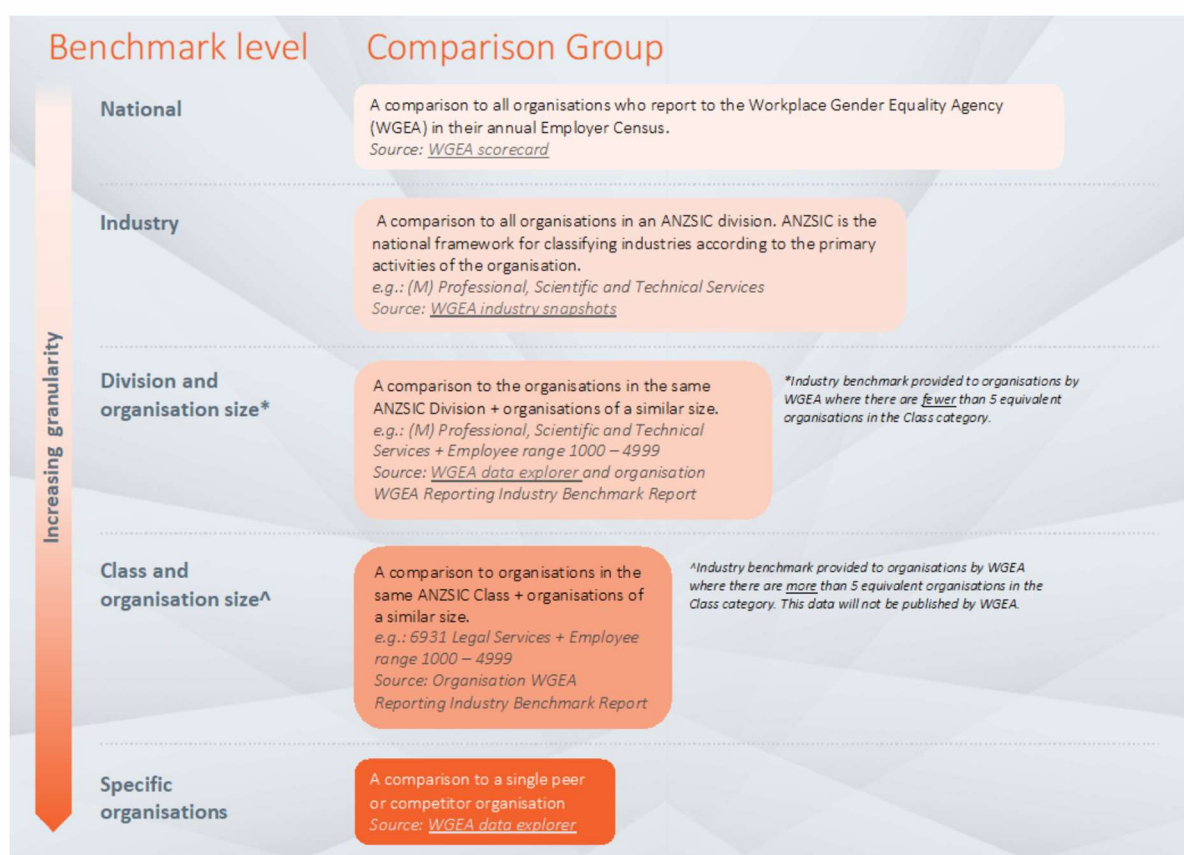
In summary:

- **Average** - the average (also known as the mean) is the difference between the average earnings for men and women, expressed as a percentage of men's average earnings. Note, WGEA is not publicly releasing organisational level average data until the 2023-24 reporting period when CEO data will be included in the data set.
- **Median** - the median gender pay gap compares middle-value in the remuneration range of women in an organisation, to the middle-value in the remuneration range of men. The gender pay gap is calculated by expressing the women's middle-value as a percentage of the men's middle-value.
- **Pay quartile** - quartile analysis of an organisation's gender pay data separates employees into four equal groups (quartiles) based on compensation and identifies the gender representation in each quartile and average total remuneration in each quartile.
- **Base salary** - base salary calculations include the fixed remuneration of employees, annualised for part year or part time employees.
- **Total remuneration** - total remuneration calculations include superannuation, overtime, bonuses and other additional payments.
- **National Gender Pay Gap** - the national gender pay gap data, released by WGEA annually includes the data from WGEA's annual Employer Census of private sector employers with 100 or more employees. The 2022-23 WGEA Employer Census was the largest yet – capturing data from 5,135 employer reporting groups, covering 4,822,194 employees. There are currently exclusions to this data set, such as private sector CEOs and which are intended to be added in the next reporting year. Public sector employee data will also be included in the 2023-24 reporting year.
- **WGEA Benchmarking** – Any organisation can compare its results to the national, industry (ANZSIC division) data, or at a more granular level by organisation size and industry. The Industry Comparison Group used by WGEA is generated by a combination of the ANZSIC industry level and/or organisation size (number of employees) and determines the aggregate data to which an organisation's results are compared to for the purpose of industry benchmarking.

WGEA generated Industry Benchmark report uses an Industry Group Comparison generated by Australian and New Zealand Standard Industrial Classification (ANZSIC) industry class and organisation size.

The Champions of Change Coalition report *Closing gender pay gaps: Our actions and commitment* uses an Industry Group Comparison generated by Australian and New Zealand Standard Industrial Classification (ANZSIC) industry division and organisation size. This comparison metric was selected based on top-level information available via the public organisation profile on WGEA Data Explorer, whereas the custom industry benchmark report provided by WGEA to each organisation is more granular in comparison (but has not been made publicly available).

The range of benchmarks used by WGEA are outlined below.



Useful links:

- [WGEA Gender Equality Scorecard 2022-23 \(latest data\)](#)
- [WGEA Executive Summary and Benchmarking Report instructional video](#)
- [WGEA Executive Summary and Benchmarking Report instructional slides](#)

7. Which gender pay gap measure should we focus on in our stakeholder communications?

For the 2022-2023 reporting year (to be released on 27 February), WGEA is only reporting on median gender pay gap and average remuneration by quartile, so for consistency and to avoid confusion, for this first year of reporting, many organisations are choosing to share this data only (excluding average/mean gender pay gaps).

However, many organisations have been tracking and disclosing their like-for-like and average gender pay gap data for several years, so for consistency and to show downward trends, some organisations may also wish to report on these additional metrics in their internal communications.

It is important to note that from 2025 reporting, CEO salary data will be included in average gender pay gap calculations which may significantly influence/increase future average gender pay gaps, setting a new baseline for year-on-year comparison. This should be a consideration for organisations when deciding whether to share average / mean gender pay gap data this year.

Organisation gender representation data is also a helpful metric to include as it illustrates organisation efforts to increase gender balance and gives context to gender pay gaps.

Our gender pay gap data

8. What does the WGEA provided gender pay gap data contain?

Organisation specific gender pay gap data has been provided to employers in two key documents, available from the WGEA data explorer:

- Executive Summary
- WGEA Reporting Industry Benchmark Report

9. Does our organisation track and monitor our gender pay gaps?

We are ensuring equal pay in like-for-like roles; increasing the representation of women in leadership and creating the workplace conditions and cultures that enable them to thrive, supported by our investment and active participation in Champions of Change Coalition.

As part of these overall efforts, we are putting more focus on analysis of gender pay gaps and the issues that drive them to inform future strategies to achieve inclusive gender equality. For example, by reviewing gender pay gaps, average, median and quartile analysis provides a comprehensive and more granular understanding of the distribution of earnings, and the causes and potential solutions for gender pay gaps.

10. What are the common drivers of gender pay gaps across Australia?

The single largest, and consistent over time, contributor to the gender pay gap in Australia is gender discrimination (according to KPMG *She's Pric(ed) Less* Report) which states that: *the gender discrimination component of the pay gap can materialise in various ways, including (but not limited to) the systematic undervaluation of women's economic contribution, the allocation of less lucrative tasks to women, or fewer opportunities for promotion.*

Other factors include:

- differences in education and career pathways
- the distribution of household management and caring
- the historical undervaluation of traditionally feminised roles and sectors
- barriers to women's career advancement, particularly in traditionally male-dominated sectors.

These issues are underpinned by persistent gender stereotypes and norms around 'appropriate' roles for men and women.

11. What are the drivers of our gender pay gaps?

The gap between women and men's average earnings is the result of social and economic factors that combine to reduce women's earning capacity over their lifetime.

- conscious and unconscious discrimination and bias in hiring 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
- high rates of part-time work for women
- 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.

12. What action are we taking to reduce the gender pay gap?

Closing the gender pay gap requires cultural change to remove the barriers to the full and equal participation of women in the workforce. We can play a leadership role in many ways. This includes by working towards 40:40:20 gender representation at all levels and all parts of the organisation and creating the conditions and cultures that enable people to thrive, regardless of gender.

At a sector level, we can help to develop workforce strategies and influence the education, attraction and retention of gender-equal workforces, especially in roles or sectors that are historically dominated by a particular gender. This includes ensuring that the sector overall is safe, welcoming and respectful for all, rather than designed to meet the needs of one gender or another, while also ensuring there is a consistent cultural experience geared towards retaining women in the industry.

We can also influence at a national or societal level, working with other leaders and as part of Champions of Change Coalition to develop and demonstrate the power of innovative policies, practices, systems and processes to address gendered barriers that can hold people back.

13. Are gender pay gaps the key measure of progress towards inclusive gender equality that organisations should pay attention to?

Gender pay gaps are an important measure of progress towards gender equality. We know that gender representation is also critical. To be successful at understanding and driving down gender pay gaps, organisations need granular and specific measures on the drivers of gender pay gaps. Champions of Change Coalition is working on a new and simple measurement framework aligned to the key drivers of gender pay gaps that organisations may adapt or adopt to support their analysis and strategies for action. We anticipate release of this new framework in 2024.

Quick reference guide for interpreting the data

Understanding and interpreting gender pay gap data for an individual organisation context requires a deep dive into the different measures that explains the drivers of the gender pay gap, gender representation, occupations and roles undertaken by women within an organisation. Below is not intended to be exhaustive, rather a quick guide to what might warrant further investigation.

14. We have equal gender representation overall but we still have a gender pay gap

Equal representation alone does not necessarily address all aspects of workplace gender equality. If there is gender equal representation, but still a gender pay gap, this suggests that the gender pay gap is more likely to be influenced by functions or occupations where women's representation and seniority remains persistently and disproportionately low, rather than under representation of women or pay inequality being problem across organisation.

Gender pay gaps can be evident where there is an over-representation of women in roles that have traditionally and systemically attracted lower wages.

Gender pay gaps in this situation may also reflect longer-term workforce development strategies where women may be over-represented in more junior roles as part of efforts to build a gender-balanced pipeline.

15. Aren't gender pay gaps just a reflection of women's choices?

Women don't necessarily choose lower-paying jobs. Social and cultural factors can influence education and career pathways, and systemic barriers can limit access to certain jobs or professions. 'Choice' is often bounded by factors like the need for flexibility or part-time work. Additionally, even within the same occupations, women often face wage disparities compared to men. Traditionally feminised roles and sectors have also tended to be assigned lower pay.

16. Why isn't equal pay legislation enough to close gender pay gaps?

Legislation has been effective in ensuring equal, like-for-like pay, but legislation alone is not a panacea for closing employer gender pay gaps. Closing gender pay gaps requires a whole-of-society approach, with efforts from employers, governments, educators, parents/carers and other career influencers to address structural inequalities. This includes changing workplace culture; addressing gender stereotypes, norms and biases; and removing barriers to career choices and advancement.

17. Should women avoid organisations and sectors with high gender pay gaps?

Employer-level gender pay gaps are not an indicator or proxy for women's experience in a workplace or sector. Nor are they indicative of whether there is pay equality/equal pay. Employer gender pay gaps are driven by complex and often historic inequalities in society. These include gender norms and stereotypes that influence education and career choices, the unequal distribution of unpaid care and household work that creates a barrier to women's workplace participation and progression, and systems and processes that inhibit women's entry and progression in the workplace.

By working towards zero employer gender pay gaps, organisations are playing their part in a whole-of-society effort to create inclusive gender equality in our workplaces.

Instead, an organisation's or sector's suitability for women employees can be found in the leadership's commitment, transparency, strategy, progress and actions underway to advance gender equality and close gender pay gaps.