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# Submission - Senate Inquiry into Fair Work Amendment (Gender Pay Gap) Bill 2015

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## Executive summary

Significant gender pay gaps persist across the Australian workforce. The proposed amendment to the *Fair Work Act 2009* to remove legal prohibition of employees discussing their pay has been put forward as a means of promoting pay equity.

This proposal comes in the context of increasing international debate about the role of pay transparency in supporting pay equity and moves by some governments to introduce legislation to promote transparency and reduce pay gaps.

In preparing this submission, the Workplace Gender Equality Agency ('WGEA' or 'Agency') has reviewed existing research regarding the pay equity implications of pay transparency, considered the international context and consulted with Australian employers.

We have concluded there is no hard evidence to directly link removing the legal prohibition against employees discussing pay to reducing gender pay gaps (GPG). However, it may be argued that enhanced pay transparency could support improved gender pay equity outcomes in Australian workplaces.

Research suggests that transparency around various aspects of pay including base salary, performance pay and bonuses can improve workplace trust and create greater employer accountability over pay and promotion decisions, reducing the likelihood of conscious or unconscious discrimination.

Currently, Australian employers may include clauses in employment contracts that prevent employees disclosing pay. The Fair Work Amendment (Gender Pay Gap) Bill 2015 proposes amending the *Fair Work Act 2009* to provide that employers may not take adverse action against employees who disclose or discuss their own pay or entitlements.

In our discussions with employers, some perceive that removing restrictions on the discussion of pay will negatively affect morale, as employees may not fully appreciate the factors involved in pay decisions. Others see enhanced transparency as a way to improve gender pay equity within their own organisations.

Pay transparency measures must be reinforced by more direct employer-led initiatives to reduce gender pay gaps. Boards and chief executive officers (CEO) must start demanding regular reports on key gender equality metrics, including the organisational gender pay gap analyses, so they can develop the necessary strategies to drive change.

## Introduction

The WGEA is pleased to provide its submission to the Senate Inquiry into the Fair Work Amendment (Gender Pay Gap) Bill 2015.

The key areas that this submission addresses are:

- gender pay gaps in Australia
- factors that contribute to the GPG
- the connection between pay transparency and gender pay equity
- pay transparency in the international context
- employer feedback
- solutions to addressing the GPG – with a focus on pay transparency and best practice examples from leading employers.

## The Agency's role

The Workplace Gender Equality Agency is an Australian Government statutory agency charged with promoting and improving gender equality in Australian workplaces. It was created by the *Workplace Gender Equality Act 2012* (WGE Act), which requires non-public sector employers with 100 or more employees to report to the Agency annually against standardised gender equality indicators (GEIs):

- GEI 1 – gender composition of the workforce
- GEI 2 – gender composition of governing bodies of relevant employers
- GEI 3 – equal remuneration between women and men
- GEI 4 – availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities
- GEI 5 – consultation with employees on issues concerning gender equality in the workplace
- GEI 6 – any other matters specified by the Minister – sex-based harassment and discrimination.

The data collected from these reports (known as the 'WGEA dataset') can be harnessed and combined with other information to inform the discussion around measuring and understanding gender pay gaps.

The Agency also has a role in promoting and improving gender equality in Australian workplaces. This role is fulfilled through the provision of advice and assistance to employers, including on GPG, gender composition of the workforce and employer policies and strategies relating to gender equality.

## The gender pay gap

### Key data from Australia

The national gender pay gap (GPG) is the difference between women's and men's average weekly full-time equivalent earnings, expressed as a percentage of men's earnings.

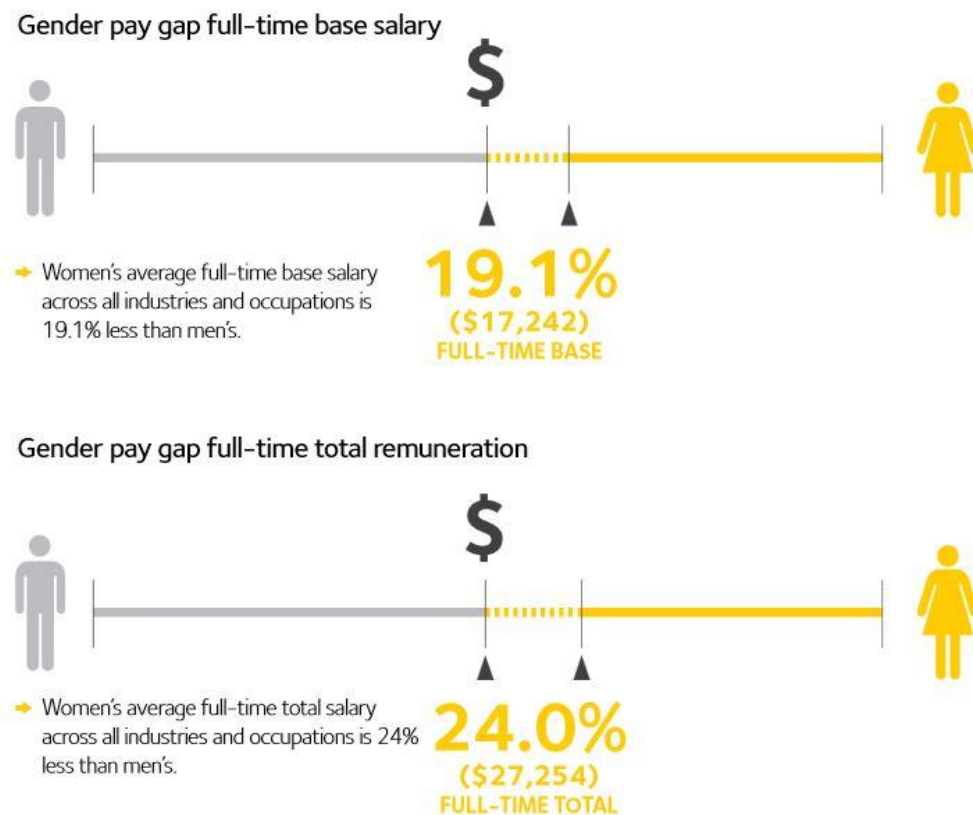
Multiple data sources confirm the existence of a significant gender pay gap in Australia. WGEA's dataset shows a full-time base salary gender pay gap of 19.1% and a total remuneration gender pay gap of 24.0% (Figure 1). Gender pay gaps in favour of men exist across every industry and WGEA-defined management category in this dataset. Data from the Australian Bureau of Statistics (ABS) Average Weekly Ordinary Time Earnings survey reveals a gender pay gap of 17.9% and the ABS Employee Earnings and Hours survey shows a gender pay gap of 15.3%. Different data sources and survey methods explain the different figures.

These national gender pay gap calculations do not reflect like-for-like pay gaps, but rather reflect women's overall position in the economy and a range of complex, inter-related factors including the concentration of women in low-paying roles and industries.

WGEA's extensive consultation with employers reveals unconscious bias can contribute to like-for-like pay gaps unless employers regularly analyse their remuneration and performance assessment data, and take corrective action to address gaps as they emerge but also to monitor the situation over time. To tackle this issue, the Agency works with 93 CEO Pay Equity Ambassadors from a range of industries who acknowledge pay equity is an issue that must be proactively managed and have committed to conducting a gender pay

equity analysis in their organisation and taking action. Global talent consulting firm Mercer recently analysed its large salary database and found a 4.4% gender pay gap exists for comparable roles.

**Figure 1: Overall gender pay gap**



## Factors that influence the gender pay gap

The GPG is influenced by many interrelated work, family and social factors, as well as structural and cultural workplace barriers that impact on women's ability to earn.<sup>1</sup>

### Industry and methods of setting pay

Pay is more likely to be unequally distributed between women and men when it is set by individual agreements made with the employer (refer below). This suggests the gender pay gap is lower when pay is set using methods which involve increased external oversight or transparent standards, such as awards.

**Table 1: Average weekly total cash earnings (full-time) and gender pay gap, by method of setting pay**

Method of setting pay	Men	Women	Gender pay gap (%) <sup>2</sup>
Award only	\$1,113.20	\$1,011.30	9.2
Collective agreement	\$1,773.90	\$1,480.70	16.5
Individual arrangement	\$1,782.00	\$1,394.70	21.7
<b>Overall</b>	<b>\$1,680.70</b>	<b>\$1,376.90</b>	<b>18.1</b>

ABS (2015), *Employee Earnings and Hours, Australia, May 2014*, cat. no. 6306.0, viewed 13 August 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6306.0>

Note: Data is based on Full-time Average Weekly Total Cash Earnings, and is inclusive of ordinary and overtime earnings. The ABS average weekly earnings dataset does not collect data on average weekly earnings by method of pay. The most recent data providing this information was the ABS Employee Earnings and Hours survey, released January 2015.

The impact of methods of setting pay on the GPG can also be seen in the comparison between the public and private sectors.

In May 2015, the private sector gender pay gap was 21.3%, compared with 12.2% in the public sector. The main method of setting pay in the private sector is by individual arrangement (44.4%), while the main method of setting pay in the public sector is collective agreement (87.2%).<sup>3</sup>

The public sector predominantly uses collective agreements and has transparent pay levels and scales, therefore standardising pay between women and men and resulting in a smaller gender pay gap than the private sector, where individual agreements are common.<sup>4</sup>

However, there are factors other than transparency that could also contribute to the difference between the gender pay gaps by sector. These are:<sup>5</sup>

- the public sector operates in a politically-driven environment, while the private sector is market-driven
- differences in the levels of occupational integration (balanced proportion of women and men in an occupation)
- differences in the implementation of anti-discrimination legislation
- differences in the size of establishments
- differences in the education and qualifications of workers.

The GPG may also be impacted by negative gender stereotypes adhering to particular industries. Women and men often work in different industries (industrial segregation) and different jobs (occupational segregation).<sup>6</sup> Historically, female-dominated industries and jobs have attracted lower wages than male-dominated industries and jobs.<sup>7</sup>

*See Appendix A for a table of gender pay gaps by industry.*

## **Lack of women in leadership positions and few flexible senior management roles**

WGEA data shows there is a significant lack of women in senior positions, with women representing just 27.5% of the top three levels of management.<sup>8</sup> Additionally, there are few part-time or flexible senior roles,<sup>9</sup> with only 6.3% of managerial roles offered on a part-time basis (Table 5).<sup>10</sup>

Women are more likely than men to work in a part-time or flexible capacity<sup>11</sup> because they tend to undertake most of society's unpaid caring work.<sup>12</sup> The lack of part-time management roles makes it difficult for women to move into higher paid, more senior roles. In fact, the representation of women in management falls as the level of seniority increases. For example, WGEA data shows that women represent 40.0% of 'other managers' (the lowest level of the WGEA-defined manager categories), but only 15.4% of CEOs.<sup>13</sup>

## **Discrimination**

Gender discrimination impacts women's ability to negotiate pay. It occurs both directly<sup>14</sup> and indirectly in the workplace,<sup>15</sup> and is experienced by both women and men. Discrimination impacts men as they are pressured by cultural norms to be the 'breadwinner'. Men work longer hours (an average of four hours more per week than female peers)<sup>16</sup> with less flexibility and spend less time with their families.<sup>17</sup> Discrimination affects women as male-dominated networks can determine promotions and career development opportunities.<sup>18</sup> This can lead to individuals hiring and rewarding in their own image.

## **Other factors**

A number of other factors impact on the GPG, including caring responsibilities, divorce, separation, widowhood<sup>19</sup> and domestic violence.<sup>20</sup>

Women's caring responsibilities impact on their ability to move into more senior roles. Additionally, time taken to care for family members interrupts female work patterns impacting on earnings and superannuation contribution trajectories.<sup>21</sup>

## **Overview of research**

While there is little empirical evidence directly linking the removal of legal prohibitions on workers discussing their own pay to gender pay equity, some researchers argue that increased pay transparency could help

reduce the pay gap.<sup>22</sup> Research suggests that pay gaps can be explained by factors such as education, skill levels, and seniority as well as working hours.<sup>23</sup> Other research explains that unintentional discrimination; social networking and differences in negotiation skills are factors that cause gender pay gaps. However, researchers cannot fully explain the existing gender pay gaps, particularly amongst high-wage workers.<sup>24</sup>

## Pay secrecy

Pay secrecy means that employees do not have full information about their colleagues' pay; such as formal base salary levels, salary structures, and informal remuneration salary components. It is common across organisations to have considerable discretion about pay mechanisms, particularly with regards to performance pay, such as bonuses. Some organisations have specific contract conditions that prohibit workers discussing their salary, as currently supported by the *Fair Work Act 2009*.<sup>25</sup> It is argued by some employers that non-disclosure of pay minimises conflicts and dissatisfaction amongst employees.<sup>26</sup>

There is no definitive answer to the question of whether pay secrecy is directly related to the gender pay gap or the extent to which it contributes to a reduction of the gender pay gap.

However, the literature suggests that pay secrecy is just one factor preventing the principle of equal pay for equal work; and can lead to problems in the employment relationship. Lack of information can cause uncertainty amongst employees about their colleagues' pay.<sup>27</sup> Information asymmetry may lead to a lack of trust amongst employees. Research shows that employees tend to overestimate their co-workers' pay if they do not have full information about salaries.<sup>28</sup> A lack of trust and pay uncertainty undermines motivation and engagement which may lead to a decline in performance.<sup>29</sup> In addition, conscious or unconscious bias can affect salary decision-making in a context of pay secrecy. For example, women are not able to compare their pay to employees in similar roles preventing them from having accurate information that may help them to constructively argue for a pay rise. It is argued that, if salaries are kept secret and management has no obligation to explain salaries and the relationship between pay increases and performance it may hide poor promotion and salary decision-making.<sup>30</sup>

Mercer recently found that even when women and men received the same low performance rating, the differences in rewards/incentives was 35.2% in favour of men.<sup>31</sup> Research suggests that keeping employees informed about the factors that affect their salary and compensation is motivating, minimises unconscious bias, is more likely to retain talent and creates an organisational environment of fairness and trust.<sup>32</sup>

The research evidence from Australia, the US and the EU suggests that pay secrecy may contribute to the gender pay gap.

## Pay transparency

Pay transparency refers to institutional arrangements where salary determination and salary increases are accessible to employees. Employees have information and clarity about their co-workers' salary. When the method of setting pay is by collective agreement, as in the public sector, pay scales tend to be more transparent. The evidence confirms that the gender pay gap is in relative terms lower in the public sector than in the private sector where salaries are more likely to be set by individual agreement (cf. page 5).

The literature suggests that pay transparency may lead to benefits for organisations and employment relationships. Some evidence suggests that pay allocations tend to be more equal under transparent arrangements.<sup>33</sup> Pay transparency can make inequality more noticeable and therefore easier for management to correct.<sup>34</sup> There is strong evidence suggesting that transparency between pay increases and performance improves employee commitment and satisfaction.<sup>35</sup> Research into a US service company (9,000 employees) suggests that the introduction of accountability and transparency into the company's reward system was linked to a decline in the gender pay gap.<sup>36</sup>

In addition, corporate governance - particularly top salary transparency - has become a central issue for shareholders and other stakeholders. There is a strong interest by shareholders, governments and the public to ensure that markets are efficient and companies take responsibilities for their actions. Research from Europe found that an increasing number of companies not only display CEO salary but link it to performance.<sup>37</sup>

## Women and negotiation

Pay transparency may empower women in negotiation. Studies show women tend to have less successful outcomes following pay negotiations and performance ratings than men.<sup>38</sup> When employers negotiate with women they tend to offer less and be more likely to resist influencing attempts.<sup>39</sup> Similarly, in a workplace context it appears women are reluctant to enter into negotiations, and when they do negotiate women ask for

less and are more likely to accept an initial offer.<sup>40</sup> This would then suggest that it is a contributor to gender inequality at work as negotiations can affect career progress, including salaries, promotions, learning opportunities, working arrangements and issues in the workplace.

Information about co-workers' pay may position women to negotiate equal pay.

Example:

*During a recent roundtable hosted by one of our Pay Equity Ambassadors, a human resources executive cited a recent example of pay inequity. In a male-dominated industry with a drive towards attracting, recruiting and retaining female talent, there were two applicants on the shortlist for a senior management role, one woman and one man. On merit due to her alignment of skills and capability, the female applicant was offered the role. Upon asking for their salary expectations, the male applicant stated his expectation which was \$100,000 higher than the female applicant. The salary offered was not only \$100,000 lower than the male had expected, but also \$100,000 lower than the budgeted position allowed for. As a result of attendance at the pay equity roundtable and having acquired new knowledge and skills to tackle the issue, the HR executive committed to addressing this pay gap upon returning to the workplace.*

## International context

There is growing international debate about the potential for pay transparency to impact gender pay equity and there have been moves in some jurisdictions to remove legal barriers for employees to discuss their pay. In the US and the UK laws that prohibit employees from sharing details about their pay are under review. Some governments are introducing legislation that requires companies to publish their pay gaps. In addition, evidence from the US suggests that the organisational culture, particularly amongst new entrepreneurs, is changing from pay secrecy to full transparency for customers as well as for employees.<sup>41</sup>

### Overview of current legislation

This international overview reports primarily about legislation from market economies that are similar to Australia (UK, US and NZ). Austria is included as an example of recent legislative change.

#### New Zealand

Under New Zealand's legislation, employees are not prohibited from sharing details about their pay with others. However, individual and collective employment contracts are considered confidential and may include clauses that prohibit the disclosure of pay.<sup>42</sup> In comparison to Australia, the gender pay gap in New Zealand is relatively low. The gender pay gap in New Zealand declined from 16.3 % in 1998 to 11.8 % in 2015.<sup>43</sup>

#### United States

In 2014 President Obama issued executive orders designed to reduce the gender pay gap by introducing provisions to promote pay transparency among federal contractors. One order allows workers employed by federal contractors to share their salary information while the other order intends to make contractors disclose pay gaps by gender and race.<sup>44</sup> By 2018 companies will be required to disclose salary ratios between CEOs and salaries of their median worker. Previously, in 2009 the *Lilly Ledbetter Fair Pay Act* was passed by Congress. This Act recognises that women may be subject to pay discrimination for many years before finding out and so employees who are subject to pay secrecy policies are permitted to seek compensation for the full duration of discrimination. However, since the 1980s several states have removed or enacted state laws prohibiting employees from sharing information about their pay. In 2014 about 10 states in the US enacted legal prohibitions on workers discussing their pay.<sup>45</sup> Pay transparency is common amongst US government employees. Recently public universities as areas of the non-profit sector and several private companies have moved to implement salary transparency. Examples of private companies initiating pay transparency policies are, Whole Foods Markets (over 90,000 employees), Namaste Solar, Buffer, Squaresmouth and Sum All. "Opening up salaries for comparison can be a great conversation-starter, equipping employees to ask how they can improve their performance or advance to higher-paying jobs," says Mark Ehrnstein, global vice president for human resources at Whole Foods Market, Austin, Texas.<sup>46</sup>



## United Kingdom

The UK introduced the *Equality Act* in 2010, making pay secrecy clauses unenforceable against employees who make a pay disclosure.<sup>47</sup> In addition, Prime Minister David Cameron has introduced legislation that requires companies with more than 250 employees to disclose a league table with average pay gaps between women and men from 2018.<sup>48</sup> The aim of this legislation is to tackle the gender pay gap, which stands at 19% in the UK.

## Austria

Austria implemented the *Equal Treatment Act* in 2011, aiming to help reduce the gender pay gap (23.7% in 2011) by increasing pay transparency. Under this Act, companies with more than 150 employees are required to publicly report on their income structure by job category every two years.<sup>49</sup> The reports show pay levels and the median income of women and men in each occupational group, all types of pay – bonuses, premiums and benefits and extra hours – as well as type of employment contract.<sup>50</sup> As a result, employees have higher levels of pay transparency and are not legally prohibited from discussing their pay. However, companies are not legally required to address the organisational gender pay gap. Rather, the Act aims to detect further causes and factors that contribute to the gender pay gap by raising awareness across employees and by providing greater pay transparency. It is yet to be seen if pay transparency will have a positive and lasting impact on the gender pay gap (23% in 2013).<sup>51</sup>

## Employer views

The Agency sought feedback on the proposed bill from organisations that hold the WGEA Employer of Choice for Gender Equality (EOCGE) citation. This citation is granted to organisations that meet a range of criteria including flexible working arrangements and addressing gender pay gaps. We received individual feedback from eight organisations with three supporting the bill and five opposing it. Employers with a more structured and transparent approach to salaries were more likely to support the bill.

EOCGE organisations **in support of the bill** expressed the view it would contribute to tackling the gender pay gap. They said:

- *“Given evidence demonstrating that, in organisations where pay is negotiated in secrecy, the gender pay gap is higher (this organisation) sees this as a measure which could reduce the gender pay gap.”*
- *“The Bill is also reasonable in that it provides for transparency and it ensures that employers cannot pressure their employees to maintain pay secrecy whilst not forcing or requiring anyone to discuss their pay.”*
- *“Through this Bill there is an opportunity for better wage transparency and open discussion regarding pay wages between employees and their managers. All employees should have access to de-identified wage and salary data that shows wages for women and men across all roles within an organisation, so that all employees, especially women, have the opportunity to negotiate fair and equitable wage outcomes.”*

EOCGE organisations who **oppose the bill** expressed the view it would lead to conflict in workplaces as most employees don't understand the complex factors that determine pay for individuals (including market pressures) and would undermine workplace morale. They said:

- *“While we support other initiatives that seek to close the gender pay gap, removing the confidentiality element of salaries would be extremely detrimental to our level of employee engagement and morale. We imagine that the fallout that eventuates from this Bill will be far more detrimental to our culture than the Bill's good intentions.”*
- *“If remuneration levels were discussed as open and free information, this would cause lower paid employees to become disgruntled, even though their peer (higher paid) works harder and produces better work etc. There are so many variables in deciding a level of remuneration.”*
- *“We do not believe it will help to address the issue of gender pay equity but instead it may have a negative impact on engagement as employees may spend time comparing salaries without understanding the circumstances behind pay decisions.”*
- *“We believe that equal pay is addressed through better communication with managers, better education of decision makers around unconscious bias as well as providing decision-makers with*

*support and guidance by those who help set and regulate pay ... Discussion between employees does not address the issue as, in most situations, they do not have all the facts to understand how pay was determined for each individual."*

Note: As feedback was provided confidentially, comments have been de-identified.

## Best practice approaches to addressing pay equity

The Agency's extensive work with employers to address gender pay equity shows the most effective way to close organisation-specific gender pay gaps is to:

- document and publish a remuneration policy with stated pay equity objectives; and
- regularly conduct a gender pay gap analysis and take corrective actions.

### The importance of remuneration policies and pay equity objectives

Best-practice remuneration policies provide managers and employees with guidance on how pay is set, and performance is evaluated and rewarded. They may refer to the use of market rates and/or enterprise agreements as a starting point but also specifically recognise that these pay setting processes are subject to manager discretion – and therefore unconscious bias – and so pay equity objectives are included. Common pay equity objectives are:

- to achieve gender pay equity
- to ensure no gender bias occurs at any point in the remuneration review process (for example at commencement, at annual salary reviews, out-of-cycle pay reviews, and performance pay reviews)
- be transparent about pay scales and/or salary bands
- to ensure managers are held accountable for pay equity outcomes
- to implement and/or maintain a transparent and rigorous performance assessment process.

### The importance of conducting a gender pay gap analysis and taking action

The WGEA's 93 CEO Pay Equity Ambassadors attest that the only way employers can know bias is not impacting pay and performance outcomes is by conducting a gender pay gap analysis.

Base and total remuneration should be analysed by gender for the same or comparable roles (like-for-like), roles within the same manager or non-manager levels (by-level) and across the whole organisation (organisation-wide). Analysing like-for-like commencement salaries and performance ratings is also recommended, as gaps often emerge when employees join an organisation and this then perpetuates over time, exemplifying the impact of any unconscious bias in the performance assessment process.

Corrective actions include:

- creating a pay equity strategy or action plan
- identifying cause/s of the gaps
- reviewing remuneration decision-making processes
- training people-managers in addressing gender bias (including unconscious bias)
- setting targets to reduce any like-for-like gaps
- setting targets to reduce any organisation-wide gaps
- reporting pay equity metrics to the board
- reporting pay equity metrics to the executive
- correcting like-for-like gaps
- conducting a gender-based job evaluation process.

### Current employer approaches

WGEA's 2014-15 dataset reveals growing awareness of the need to proactively manage remuneration setting processes and gender pay equity:

- 26.3% of employers reported a gender pay gap analysis had been conducted (up from 24.0% in 2013-14)
- 51% took action following the analysis (up from 46.0% in 2013-14)

- 25.6% include gender pay equity objectives in their remuneration policies (growing from 18.1% in 2013-14).

## Conclusion

There is a significant gender pay gap across the Australian workforce.

There is growing discussion and debate in Australia and internationally about the role of enhanced pay transparency in reducing gender pay gaps.

There is no hard evidence linking the removal of legal prohibitions on employees discussing their pay to lower gender pay gaps. However, research does suggest that greater pay transparency may contribute to an environment where women are more able to achieve pay equity by:

- equipping women with information that may support their negotiating efforts
- encouraging greater employer accountability over remuneration decisions, reducing the likelihood of gender bias impacting pay decisions.

The Agency's work with employers suggests that the best way to address gender pay gaps is for organisations to analyse and take remedial action to address gender pay gaps.

# Appendix A

**Table 1: Average annualised full-time earnings and gender pay gaps by industry (WGEA data), 2014-15**

Industry	Women's average annualised base salary (full-time) (\$)	Men's average annualised base salary (full-time) (\$)	Base salary gender pay gap (full-time; GPG %)	Women's average annualised total remuneration (full-time) (\$)	Men's average annualised total remuneration (full-time) (\$)	Total remuneration gender pay gap (full-time; GPG %)
Financial and Insurance Services	\$81,147	\$111,667	27.3	\$99,725	\$153,521	35.0
Rental, Hiring and Real Estate Services	\$77,431	\$96,845	20.0	\$90,450	\$126,315	28.4
Professional, Scientific and Technical Services	\$82,902	\$106,950	22.5	\$95,051	\$130,807	27.3
Construction	\$78,283	\$98,324	20.4	\$91,734	\$124,525	26.3
Information Media and Telecommunications	\$78,469	\$98,355	20.2	\$94,286	\$122,912	23.3
Electricity, Gas, Water and Waste Services	\$85,603	\$100,910	15.2	\$100,894	\$128,499	21.5
Transport, Postal and Warehousing	\$65,487	\$80,896	19.0	\$77,985	\$99,207	21.4
Arts and Recreation Services	\$65,303	\$81,508	19.9	\$72,741	\$92,029	21.0
Agriculture, Forestry and Fishing	\$60,974	\$75,594	19.3	\$69,197	\$87,507	20.9
Administrative and Support Services	\$61,929	\$78,703	21.3	\$73,142	\$92,273	20.7
Other Services	\$66,506	\$77,283	13.9	\$75,929	\$92,873	18.2
Health Care and Social Assistance	\$67,392	\$80,301	16.1	\$77,935	\$95,111	18.1
Mining	\$101,207	\$119,731	15.5	\$135,282	\$164,243	17.6
Retail Trade	\$55,162	\$62,183	11.3	\$63,753	\$75,423	15.5
Manufacturing	\$70,135	\$78,824	11.0	\$83,834	\$97,581	14.1
Accommodation and Food Services	\$57,011	\$63,893	10.8	\$64,898	\$72,833	10.9
Wholesale Trade	\$67,591	\$73,713	8.3	\$82,277	\$91,895	10.5
Education and Training	\$86,477	\$93,268	7.3	\$99,099	\$109,234	9.3
Public Administration and Safety	\$67,278	\$74,280	9.4	\$75,463	\$82,659	8.7

Industry	Women's average annualised base salary (full-time) (\$)	Men's average annualised base salary (full-time) (\$)	Base salary gender pay gap (full-time; GPG %)	Women's average annualised total remuneration (full-time) (\$)	Men's average annualised total remuneration (full-time) (\$)	Total remuneration gender pay gap (full-time; GPG %)
<b>Overall</b>	<b>\$73,245</b>	<b>\$90,488</b>	<b>19.1</b>	<b>\$86,506</b>	<b>\$113,761</b>	<b>24.0</b>

Source: WGEA (2015), Agency reporting data

Notes:

- Gender pay gaps in the table above exclude CEOs/Heads of Business in Australia, and are based on average full-time annualised earnings in the 2014-15 reporting period.
- Base salary is the full-time annual salary before tax, including all salary sacrificed items, but excluding allowances, superannuation and any other additional payments.
- Total remuneration includes full-time base salary plus any additional benefits whether payable directly or indirectly, whether in cash or in a form other than cash. Includes bonus payments (including performance pay), superannuation, discretionary pay, overtime, other allowances and other (for example share allocations).
- Industries are ordered from largest total remuneration gender pay gap to smallest.

<sup>1</sup> WGEA (2014), *Perspective Paper: Parenting, work and the gender pay gap*, [https://www.wgea.gov.au/sites/default/files/2014-03-04\\_PP\\_Pay\\_Gap\\_and\\_Parenting.pdf](https://www.wgea.gov.au/sites/default/files/2014-03-04_PP_Pay_Gap_and_Parenting.pdf)

<sup>2</sup> A minus sign indicates that the average weekly earnings for women is greater than that for men.

<sup>3</sup> ABS (2015), *Employee Earnings and Hours, Australia, May 2014*, cat. no. 6306.0, viewed 13 August 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6306.0>

<sup>4</sup> Ibid.

<sup>5</sup> Baron J.D and D.A Cobb-Clark (2010), *Occupational Segregation and the Gender Wage Gap in Private- and Public-Sector Employment: A Distributional Analysis*. The Economic Society of Australia, The Economic Record, Vol. 86, No. 273, June 2010, pp 337-246.

<sup>6</sup> WGEA (2015), WGEA data explorer: <http://data.wgea.gov.au/>

<sup>7</sup> Fair Work Commission Australia (2012), Equal Remuneration Case, [2012] FWA FB 5184: <https://www.fwc.gov.au/documents/decisionssigned/html/2012fwafb5184.htm>

<sup>8</sup> WGEA (2015), Agency reporting data

<sup>9</sup> Cassells, R, Vidyattama, Y, Miranti R and McNamara, J (2009), *The impact of a sustained gender wage gap on the Australian economy*, Report to the Office for Women, FAHCSIA, Canberra, Commonwealth of Australia.

<sup>10</sup> WGEA (2015), Agency reporting data

<sup>11</sup> Ibid.

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<sup>13</sup> WGEA (2015), Agency reporting data

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