

*Catherine Fletcher,
Acting Information Commissioner*



**Office of the
Information Commissioner**

Freedom of information for Western Australia

Gender Pay Gap

What is it, why and how to beat it

IPPA WA Women in Public Sector

Leadership Conference 2018



What is the Gender Pay Gap?



$$\text{GPG} = 100\% \times \frac{\text{Male Average Earnings} - \text{Female Average Earnings}}{\text{Male Average Earnings}}$$

- ▶ The gender pay gap (GPG) is the difference between women's and men's pay, based on the average/mean or median difference in pay.
- ▶ Equal pay is not just about equal wages. Equal pay takes into account discretionary pay, allowances, performance payments, merit payments, bonus payments and superannuation.
- ▶ The gender pay gap is considered a key indicator of equity between men and women.

International Concern about Gender Pay Inequity



- ▶ Many organisations, including the OECD and World Bank, are collecting data on gender disparities in the economy, education and political representation.
- ▶ Since 2010, a number of countries have begun introducing gender equality reporting schemes that require organisations to collect data, including on salary and remuneration, to determine wage inequalities between women and men.
- ▶ Some countries including Australia, the USA, Austria and Belgium have already introduced reporting schemes.
- ▶ Germany and Iceland are the most recent countries that legislated gender equality reporting.
- ▶ This data creates powerful evidence for change.

Source: Workplace Gender Equality Agency (WGEA)

World Economic Forum's Global Gender Gap Report

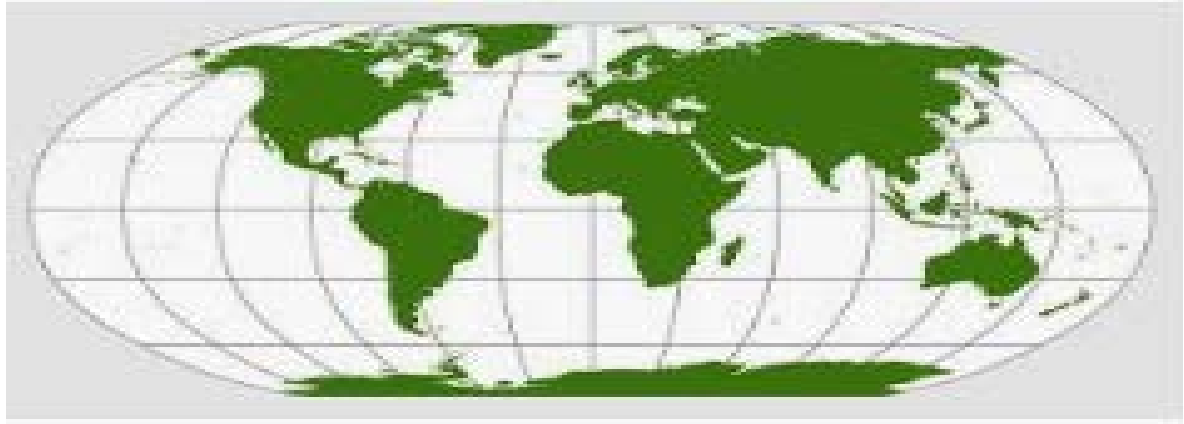


COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

- ▶ Since 2006 the World Economic Forum has produced the *Global Gender Gap Report* which evaluates gender equality across 144 countries using indicators including economic opportunity, political empowerment, and health and survival.
- ▶ It ranks countries according to a *Global Gender Gap Index (GGGI)* which examines the gap between men and women in four fundamental categories
- ▶ One of those four categories is 'Economic Participation and Opportunity' which contains three concepts: the participation gap, the remuneration gap and the advancement gap.

Country Rankings in the Global Gender Gap Index (GGGI) 2017

- ▶ Iceland - 1st
- ▶ New Zealand - 9th
- ▶ United Kingdom - 15th
- ▶ Canada - 16th
- ▶ Australia - 35th
- ▶ United States – 49th
- ▶ China – 100th
- ▶ Top five = Iceland, Norway, Finland, Rwanda and Sweden
- ▶ Bottom five = Islamic Republic of Iran, Chad, Syria, Pakistan and Yemen



Credit: World Economic Forum

Iceland leads the way

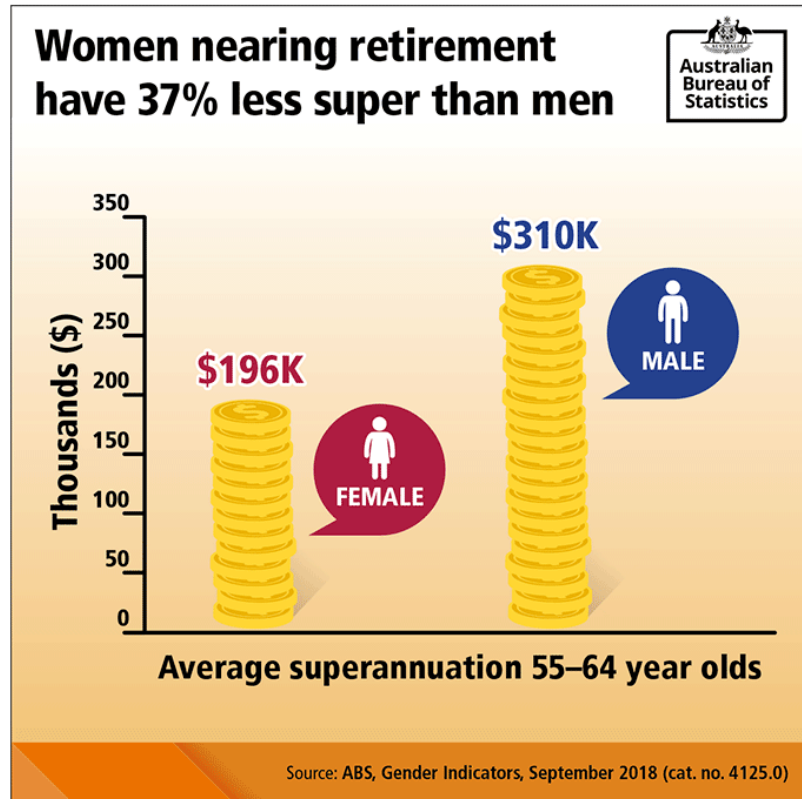
Iceland has been ranked the best in the world for gender pay equality for 9 years in a row.

Iceland is the first country to legalise an 'Equal Pay Standard', which requires organisations to obtain government certification for demonstrating equal pay.



Economic Security and the Gender Pay Gap in Australia

Women trail men in three key measures related to economic security:



- ▶ *Employment*
- ▶ *Income*
- ▶ *Wealth*

ABS, Gender Indicators, Australia, Sep 2018

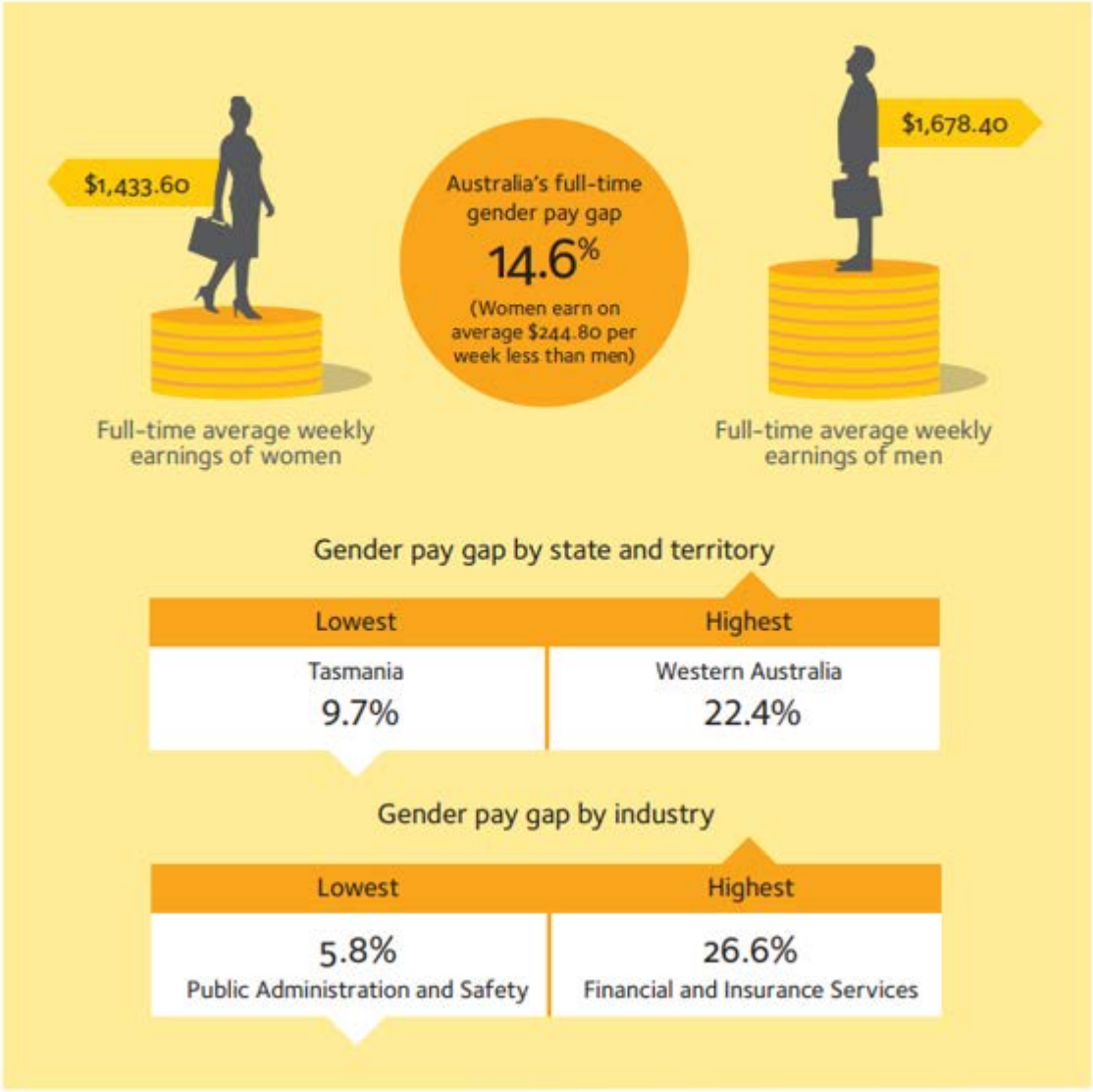
Australia's Gender Pay Gap Statistics

Based on data for non-public sector employers with 100 or more employees.

Australia's national gender pay gap has hovered between 14% and 19% for the past two decades.

There has been a decrease of 0.7 pp in the gender pay gap since May 2017 (15.3%)

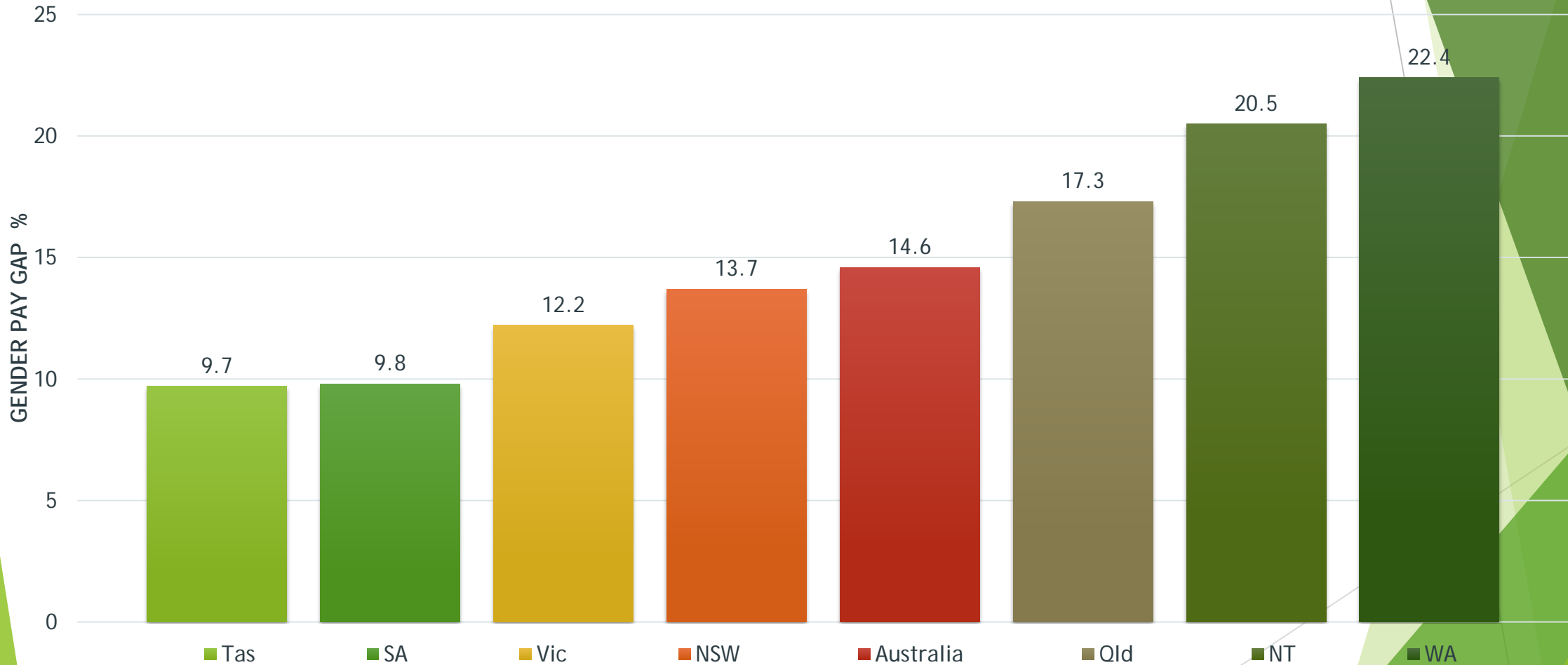
August 2018



2018 GPG across Australia

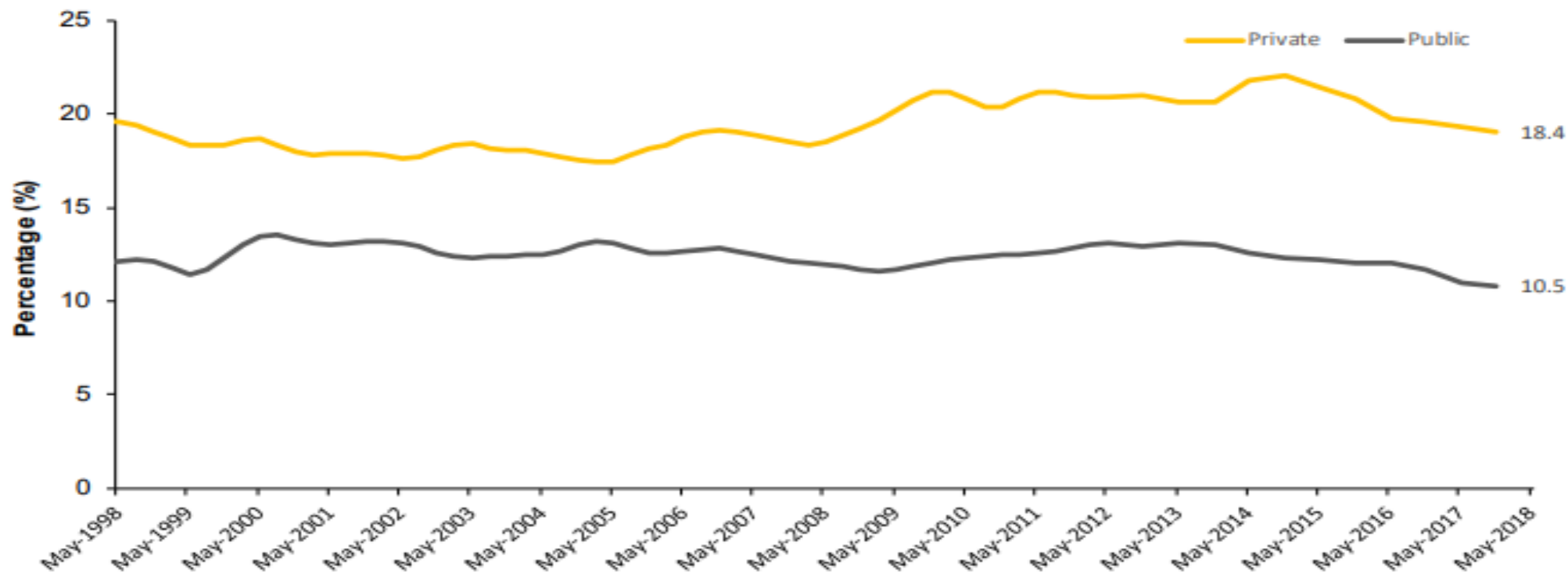
State and National Gender Pay Gap based on full-time weekly ordinary earnings

Source: ABS data 2018



Gender pay gaps in the private v public sector

Figure 3: Gender pay gaps over time in the private and public sectors, May 1998 - May 2018



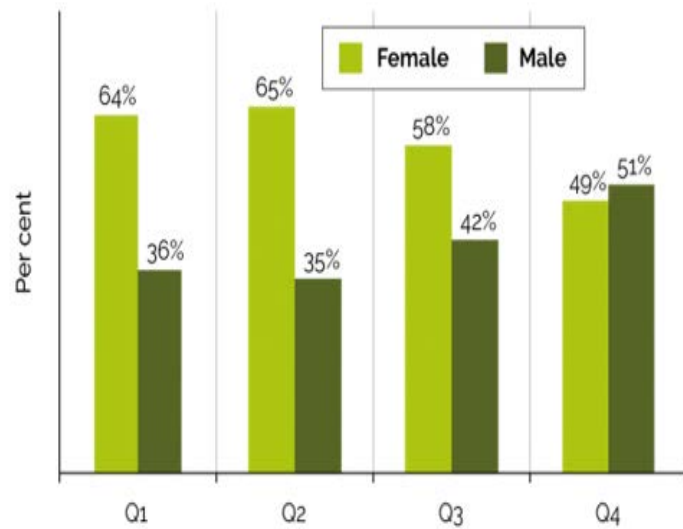
Data source: ABS (2018), Average Weekly Earnings, May 2018, cat. no. 6302.0, viewed 16 August 2018,

<<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>>

Note: Based on full-time adult average weekly ordinary time earnings.

GPG in the Australian public sector = 8.4%

Employees by pay quartile and gender, 2017



- ▶ The Australian Public Sector Commission reports on 'Remuneration by Gender' in the Australian Public Service.
- ▶ In 2017, the average Base Salary for males was \$94,428, while the average Base Salary for females was \$86,529 representing a **8.4% gender pay gap** across the APS, down from 8.6% in 2016.
- ▶ In 2017, the majority of employees in the two lowest pay quartiles (Q1-Q2) were female, at 64-65%, above their representation within the APS of 59%. By contrast, there was little difference between the two genders in the highest pay quartile (Q4). Females accounted for 49% of employees in Q4.

Source: Australian Public Service Commission

Information on the GPG in WA Public Sector DoC's Pay Equity Unit



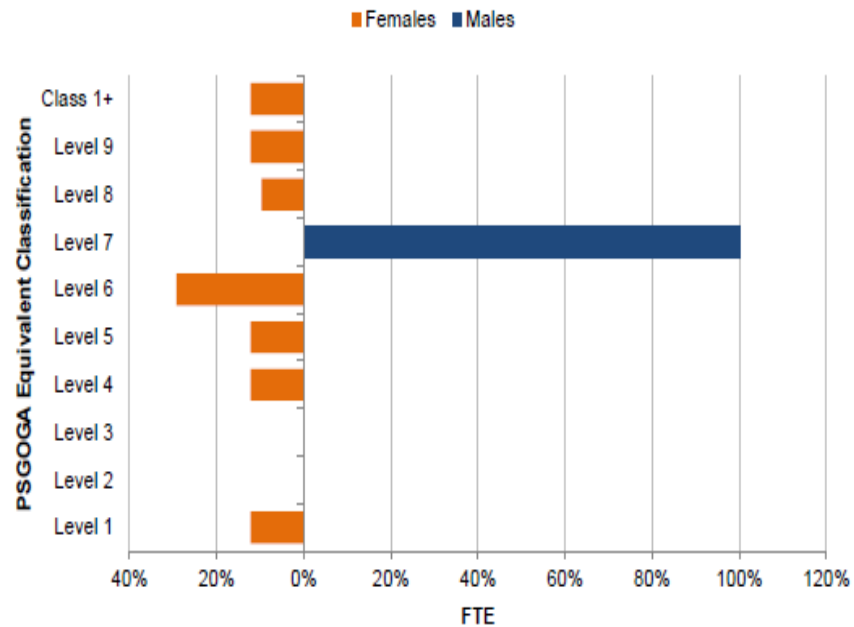
- ▶ The WA Pay Equity Audit Tool developed by the *Pay Equity Unit* in the Dept of Commerce in 2007 to assist public sector organisations undertake a pay equity audit.
- ▶ The tool aids in the data analysis process by creating tables and charts based on payroll data, showing gender pay gaps and other indicators such as the prevalence of flexible working arrangements.
- ▶ The *Pay Equity Unit* provided **Annual WA Public Sector Pay Equity Reports** to the 27 largest public sector agencies to provide an overview of the gender pay gap and key gender related statistics for each agency. They also aim to encourage public sector agencies to undertake pay equity audits.
- ▶ For more information on pay equity in Western Australia visit www.payequity.wa.gov.au on DMIRS website

Quarterly Entity Profile Reports for WA public sector agencies - GPG shown

Table 6 Median salaries in Info Commissioner and the WA public sector

	Info Commissioner	WA public sector
All employees	\$111 590	\$85 175
Females	\$111 590	\$82 797
Males	\$126 033	\$93 341
Gender pay gap	\$14 443	\$10 544

Figure 7 Gender by PSGOGA equivalent classifications in Info Commissioner



Is there GPG across the WA Public Sector?

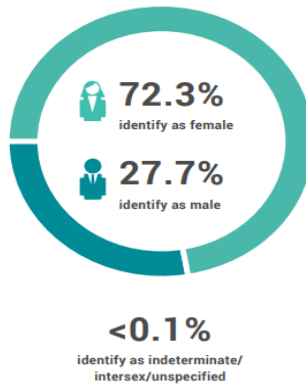
Yes - 13.4% *(State of the Sector Report, 2017)*



Contents ▶

Gender

The Commission is developing a strategy for gender equality in public employment which aims to assist public authorities to embed gender equality at all levels in the workplace. The strategy, which focuses on advocacy of senior leadership, accountability, inclusive and equitable cultures and flexible workplaces, will be released in 2018.



Across the sector, males have a higher median salary than females, and this is influenced by a number of factors including:

- females and males working in different industries (industrial segregation) and different jobs (occupational segregation). Historically, female-dominated industries and jobs have attracted lower wages than male-dominated industries and jobs
- a lack of females in senior positions, and a lack of part-time or flexible senior roles. Females are more likely than males to work part-time or flexibly because they still undertake most unpaid caring work and may find it difficult to access senior roles
- differences in education, work experience and seniority
- discrimination, both direct and indirect.

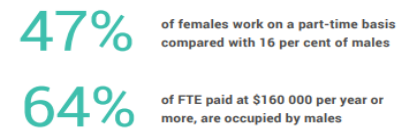
Source: Workplace Gender Equality Agency, 2017.

Table 1.1 Summary of the WA public sector over the last five years

Data as at 30 June 2017. Source: HRMOIR

		2013	2014	2015	2016	2017
Headcount		138 863	137 944	138 440	135 770	140 403
FTE		110 544	108 999	109 019	107 809	110 662
Gender (headcount)	Female	71.7%	71.9%	72.3%	72.6%	72.3%
	Male	28.3%	28.1%	27.7%	27.4%	27.7%

Did you know?





State of the sectors statistical bulletin 2017

Sustaining public trust through change

Agency	Median salary (\$)		
	Female	Male	All employees
WA public sector	80 797	93 341	85 027
Animal Resources	58 800	59 073	58 978
BGPA	64 256	64 256	64 256
CCC	88 460	136 436	124 033
ChemCentre	77 164	90 896	84 542
Education	74 760	97 852	80 738
EOC	93 994	120 113	96 480
ERA	109 590	131 296	115 725
Finance	93 994	109 590	93 994
Fisheries	80 797	90 896	80 797

GESB	102 350	124 033	124 033
Health	85 175	93 341	85 175
Housing	76 452	93 994	80 797
ICWA	73 717	107 722	80 797
Landgate	82 922	101 179	93 994
Legal Aid	84 542	101 179	89 345
Lotterywest	87 915	98 966	93 994
LPB	86 909	113 869	98 966
Main Roads	92 272	110 617	105 374

GPG per occupational groups within the WA Public Sector

Source: HRMOIR June 2017 data

Occupation group	FY 2016/2017				
	FTE	Median Equivalent Annual Salary			
		Total	Female	Male	Ratio of Gender Pay Gap (GPG)
Medical practitioners	3776	\$ 164,871	\$ 139,110	\$ 189,465	73.4% (26.6%)
Fire and emergency workers	1253	\$ 97,098	\$ 83,950	\$ 97,098	86.5% (13.5%)
Clerical and administrative workers	18628	\$ 64,256	\$ 64,256	\$ 76,452	84.0% (16.0%)
Police (includes Police Force)	6133	\$ 92,273	\$ 90,882	\$ 93,856	96.8% (3.2%)
Nurses and midwives	11738	\$ 85,175	\$ 85,175	\$ 85,175	100.0% (0%)
Education aides	8273	\$ 49,167	\$ 49,167	\$ 49,167	100.0% (0%)
Prison and security officers	2426	\$ 85,186	\$ 85,186	\$ 85,186	100.0% (0%)
Education professionals (Teachers)	21768	\$ 103,049	\$ 103,049	\$ 101,686	101.3% (-1.3%)
Others	42799	\$ 85,047	\$ 80,797	\$ 93,993	86.0% (14%)
WA public sector (excludes Police Force)	110662	\$ 85,027	\$ 80,797	\$ 93,341	86.6% (13.4%)

Across the sector, males have a higher median salary than females: for every dollar a male employee earns, a female employee earns only 0.87 dollars. Medical practitioners - highest gender pay gap in FY2016/2017 (26.6%). Only nurses, education aides and prison officers have parity in the median salary for FY2016/2017.

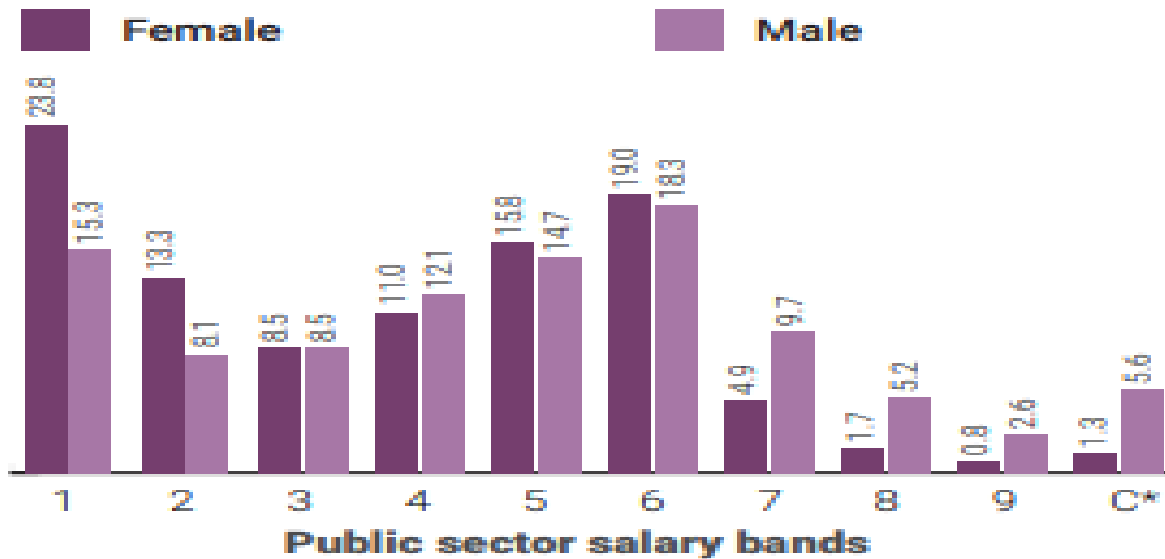


deope

Director of Equal Opportunity
in Public Employment
Annual report 2018 | Breaking down barriers

Equal employment opportunity data collection

Employees across salary bands (%)



Public sector workforce profile & the equity index

Table 1.7 Equity and diversity – women and Aboriginal Australians

Public sector entities with more than 20 full-time equivalents (FTE). Data as at 30 June 2017. Source: HRMOIR

Agency	Women				Equity Index
	% Women in MT1	% Women in MT2	% Women in MT3	% Women in MT2&3	
WA public sector	21.8%	40.4%	44.0%	43.1%	73.9
Animal Resources	N/A	50.0%	70.0%	64.3%	53
BGPA	100.0%	33.3%	50.0%	47.1%	91
CCC	0.0%	0.0%	75.0%	60.0%	78
ChemCentre	0.0%	20.0%	N/A	20.0%	65

Source: State of the Sectors Statistical Bulletin 2017

Is the gender pay gap a problem?



- ▶ Yes - Gender pay inequity has economic, social and political consequences for individuals, business and governments. From an equity viewpoint, it reflects and perpetuates serious inequality between men and women in our society and the underutilisation of women's economic capacity (*Todd & Eveline, 2005*)
- ▶ The WA public sector is the State's largest employer in which 72% of the workforce is female (*Service Priority Review, 2017*)
- ▶ Yes - so GPG is particularly detrimental for ... the female workforce of the WA public sector (*Unions WA, 2017*)

Reasons for the GPG in Australia?

A number of general factors recognised including:

- ▶ less women in senior management positions
- ▶ the impact of caring responsibilities on women's career progression
- ▶ career breaks
- ▶ discrimination
- ▶ undervaluing of women's skills
- ▶ wage/salary setting methods
- ▶ highly sex segregated workforce
- ▶ male dominated industries in which male roles historically paid more than female dominated industries and roles

Source: 2015 WA Women's Report Card



What are the causes of the GPG in Western Australia?

- ▶ A range of factors are commonly cited including:
 - the significance of the mining, resources and energy sectors , usually well-paying, male dominated industries, in the WA economy
 - WA's workplace culture
 - the lower numbers of WA women in senior roles
 - the impacts of WA's isolation on family support to share caring responsibilities AND limited access to/cost of childcare (*Filling the Pool Report*, City of Perth Committee, 2015)
- ▶ However only around 7.7% of workers are employed in the mining industry in WA
- ▶ The mining downturn after the end of the construction phase of the resource boom has not resulted in any substantial reduction in WA's gender pay gap (*Unions WA, 2017*)
- ▶ The contributing factors are complex, act reciprocally upon one another and some factors are more easily addressed than others (*Filling the Pool Report*, City of Perth Committee, 2015)

The benefits of closing the gender pay gap

SOME OF THE BENEFITS INCLUDE.....

- achieving fairness and respect in the workplace
- creating a motivated, happy and productive workforce
- becoming an employer of choice
- attracting and retaining the best and brightest staff
- improving staff retention and thereby reducing turnover costs
- fulfilling legal obligations
- inspiring consumer confidence
- attracting government contracting opportunities
- International competitiveness
- National growth and prosperity
- preventing negative public relations issues arising from legal proceedings or allegations of gender pay inequity
- avoiding a costly discrimination complaint



World Surf League (WSL) has announced they're closing their gender pay gap.

