

## What is the gender pay gap?

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

It is an important measure of the financial impact of gender-based discrimination 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. Expressed as a percentage or a dollar figure, it shows the difference between the average earnings of women and men.

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 a simple calculation that always stays the same.

It is the difference between the average pay for men and women, expressed as a percentage of men's pay.

As an equation, that is:

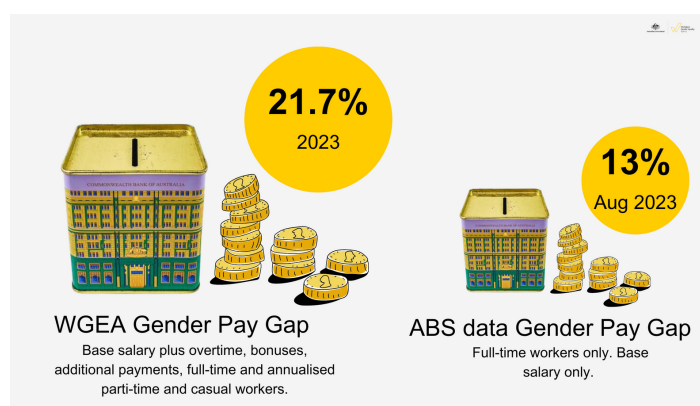
$$\frac{(\text{Average remuneration of men} - \text{average remuneration of women})}{\text{Average remuneration of men}} \times 100$$



You may see different figures for the gender pay gap. The calculation doesn't change. What changes is how people define 'pay' or 'remuneration'.

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.

**Regardless of what measure of pay you use, there is always a gender pay gap in favour of men in Australia.**



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). 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**.

Using this data, the gender pay gap can also be broken down by state and industry. 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 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?'



## What causes the gender pay gap?

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.

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 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.

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)

## 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, changes to the *Workplace Gender Equality Act 2012* passed Parliament in March 2023 (the [Workplace Gender Equality Amendment \(Closing the Gender Pay Gap\) Act 2023](#)) that require WGEA to publish employer gender pay gaps.

**From 2024, the gender pay gap for organisations with a workforce of 100 or more employees is going to be on the public record.** For the first release of private sector employer gender pay gaps in early 2024, WGEA will publish employer gender pay gaps by:

- median
- the gender composition and average remuneration per pay quartile

WGEA's website page '[Publishing employer gender pay gaps](#)' provides an explanation of these measures.

## What won't be published?

For the first release in early 2024, an employer's *average* total remuneration gender pay gap will not be published.

In early 2024, WGEA will only publish by *median* and *gender composition and average remuneration per pay quartile*. In future reporting – when CEO, head of business and casual manager remuneration data can be included – employer gender pay gaps will be published by average, median, and remuneration quartile.

## Drivers of the gender pay gap

