

5 things to look for when viewing employer gender pay gap data

Each year WGEA publishes thousands of employer gender pay gaps on the Agency's Data Explorer.

The gender pay gap highlights a disparity in typical earnings for men and women. In technical terms it is the difference between the average, or median pay, for women and men, expressed as a percentage of men's pay. This is different to equal pay for equal work, which has been the law in Australia since 1969.

An employer gender pay gap is a sign further investigation is needed to uncover why outcomes for men and women in relation to pay and employment opportunities in the organisation are different. Taking effective action on the results of this investigation will help to make the workplace fairer for everyone.

The data WGEA publishes offers clues to the potential reasons for an employer's gap. These 5 questions are a great place to start.

1. Does the employer pay men or women more on average?

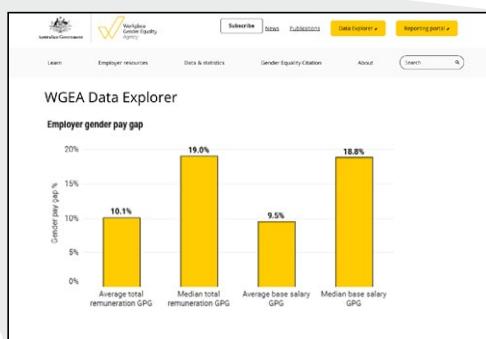
What to look for: Positive, negative or target range

Employer gender pay gaps published on [WGEA's Data Explorer](#) are shown as negative, positive or zero.

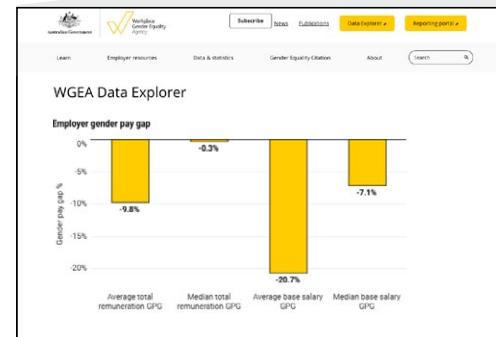
- Positive gender pay gaps (larger than +5%): The average or typical pay for men is greater than women. This is often called a gender pay gap 'in favour of men'.
- Negative gender pay gaps (less than -5%): The average or typical pay for women is greater than men. This is often called a gender pay gap 'in favour of women'.
- Target range (between -5% and +5%): Employers within this range are achieving a fair balance between the average or typical pay of women and men. The 10% range allows for normal workplace changes due to recruitment resignations and promotions.



Positive gender pay gaps



Negative gender pay gaps



71% of employers have a gender pay gap in favour of men (+), 23% have a neutral gender pay gap and 7% have a gender pay gap in favour of women (-).

*Source: WGEA Gender Equality Scorecard 2024-25

2. How big is the gender pay gap compared to others?

What to look for: The size of the employer's gender pay gap compared to the national and industry mid-points

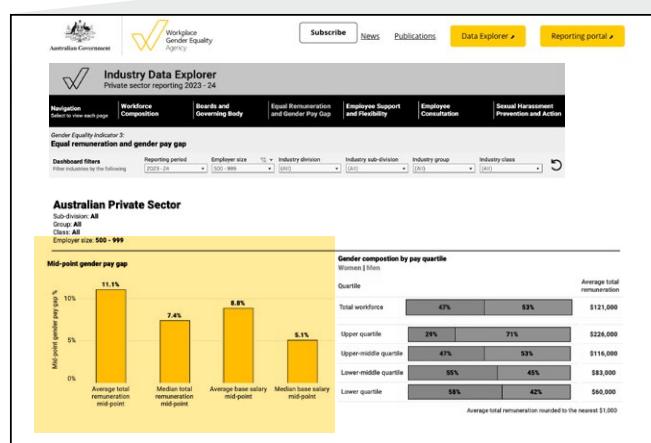
In addition to individual employer gender pay gaps, WGEA also publishes benchmark information for employers across industries and the nation on the [Industry Data Explorer](#). Comparing the employer's gender pay gap to these figures can give you a sense of how big or small their gender pay gap is relative to others. You can also compare the gap directly to the employer's peers using the [Employer Data Explorer](#).

National mid-point

The national mid-point of average total remuneration employer gender pay gaps is 11.2%. This means 50% of employers have an average total remuneration gender pay gap higher than 11.2% and 50% have a gender pay gap lower than 11.2%.

If the employer's gender pay gap is larger than 11.2% it is in the highest half of all gaps.

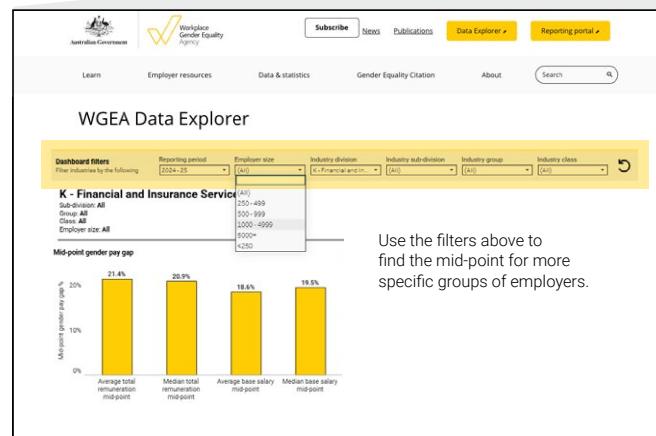
It's worth noting that the national mid-point is based on all employer gender pay gaps. Some of these will be negative (in favour of women). Negative gender pay gaps that are beyond the target range, need to be addressed just as much as positive ones.





Industry midpoints

Specific industry context can impact the size of employer gender pay gaps. Comparing an employer to the mid-point of the employer gaps within an industry can show you how an employer is performing compared to peers within that industry.



WGEA's Industry Data Explorer allows you to see the mid-point of employer gender pay gaps by Industry, Division, Sub-division, Group, and Class. These terms align to Australian and New Zealand Standard Industrial Classification (ANZSIC) of industries. Industry is the broadest category, for example Construction. Class is the smallest category, for example within construction this might be Roofing Services. You can also use the size filter to only see the mid-points for a particular group of employers with a similar number of employees.

Achieving gender pay gap that is smaller than industry peers is a critical first step for an employer. It demonstrates they have positive outcomes compared to similar employers. However, ultimately the goal for employers is to achieve a gender pay gap in the target range of -5 to +5% because this shows that outcomes for women and men are closer to fair and equal.

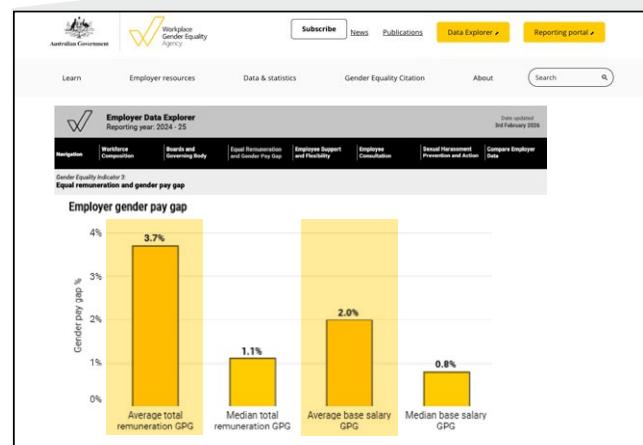
3. Are payments above base salary affecting the size of the gender pay gap?

What to look for: The difference between the total remuneration and the base salary gender pay gap

WGEA publishes base salary and total remuneration gender pay gaps for each employer on the Employer Data Explorer.

Total remuneration includes bonus or performance pay, overtime payments and superannuation as well as the base salary. It's the whole package of what an employee takes home.

When the base salary gender pay gap differs from the total remuneration gap, this is a sign that additional payments above base salary, many of which are discretionary, are favouring one gender more than another.



When comparing base salary and total remuneration gender pay gaps ensure you only compare average to average or median to median.



When the gender pay gap is positive:

- Total remuneration gender pay gap is higher than base salary gender pay gap:
Men are earning more from payments above base salary on average or typically.
These additional payments are making the gender pay gap larger.
- Total remuneration gender pay gap is lower than base salary gender pay gap:
Women are earning more from payments above base salary than men, on average or typically. This reduces the overall gender pay gap.

If the employer has a negative gender pay gap and their total remuneration gender pay gap is closer to zero than the base salary gap, men earn more from additional payments than women, on average.

4. Are a small number of highly-paid people making the gender pay gap larger?

What to look for: The difference between the average and median gender pay gaps

The [Employer Data Explorer](#) contains average and median gender pay gaps for each employer. The average tells you the overall pay difference between women and men and the median tells you the 'typical' earnings difference.

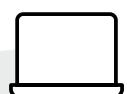
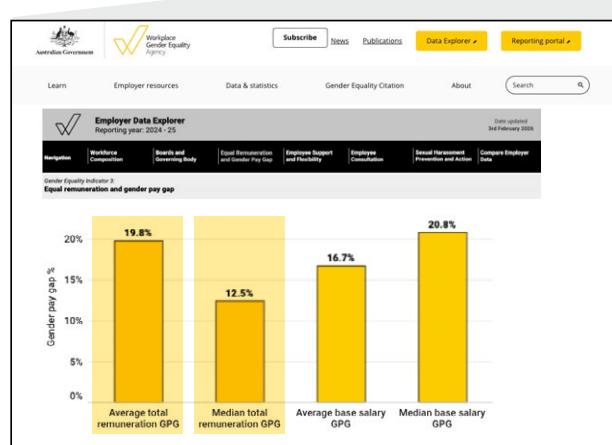
Comparing the average and median can provide an important clue to what may be driving the gender pay gap.

The mathematical explanation

To calculate an average, you add up all the items and divide by the number of items you have. The final value can be skewed higher or lower by small groups of extremely high or extremely low salaries concentrated in one gender, like a few high earning men senior executives.

To get a median, you organise the numbers from smallest to largest and find the middle number. This means it is rarely affected by a small group of very high or very low salaries.

If the average and median are quite different, it can indicate the employer has a concentration of one gender earning either very high, or very low pay.



You can find the full mathematical explanation and equations for calculating gender pay gaps on the [WGEA website](#). When expressed as a percentage, employer gender pay gaps are the average or median difference in proportion to men's pay.



How to compare the average and median

The most common thing you will find is the average gender pay gap is further away from zero than the median.

The explanation for this differs based on whether the gender pay gap favours men (is positive), or women (is negative).

- For positive gender pay gaps: For example, average gender pay gap 15%, median gender pay gap 10%. Men earn more, on average and typically and it's likely a concentration of men in high-paying roles is causing the average to move away from the median.
- For negative gender pay gaps: For example, average gender pay gap -15%, median -10%. Women earn more on average and typically and it's likely a concentration of women in high-paying roles are causing the average to move away from the median.

5. What is happening in the workplace pay scales to cause the gender pay gap?

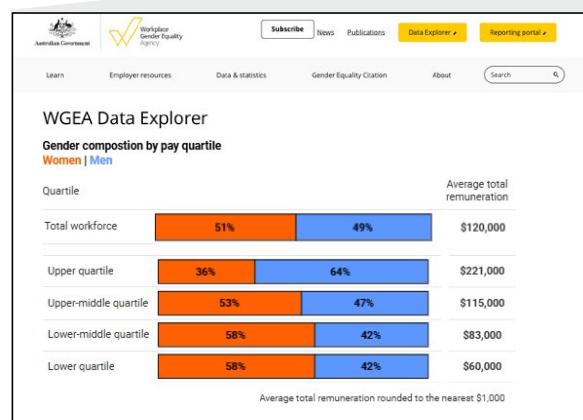
What to look for: Gender composition and average remuneration per pay quartile

WGEA publishes an employer's gender composition and average total remuneration for the total workforce and each pay quartile in a graph alongside the gender pay gap information.

The quartile graph shows the relative positions of women and men in high and low paying jobs. It can signal where the imbalance between women and men occurs.

When an employer has a small gender pay gap, the composition within each quartile is often similar to their total workforce composition. Employers with larger gender pay gaps tend to have more deviation between the gender balance of the total workforce and the balance of women and men in some or all of these pay quartiles. For example, one gender may be overly represented in high paying roles and the other over-represented in lower paid roles.

Where there is an imbalance in the gender composition of the quartiles and a large difference in average pay between low and high earners this can result in a larger gender pay gap.



At a national level, men are 1.8 times more likely to be employed in the highest earning quartile and women are 1.4 times more likely to be employed in the lowest earning quartile.

*Source: WGEA Gender Equality Scorecard 2024-25





Australian Government



Workplace
Gender Equality
Agency

Follow us on social media



Workplace Gender Equality Agency



@wgeagency



Subscribe to our newsletter