

Media Release

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Pay gaps close when leaders see the numbers

**-- More Australian employers taking action to close gender pay gaps --
-- Action three times more effective when data reported to executive or board --**

Australian employers that measure their gender pay gaps are making positive progress in closing gaps between women's and men's pay, with leadership accountability being the key ingredient, a new report shows.

Research released today by the Bankwest Curtin Economics Centre (BCEC) and the Workplace Gender Equality Agency (WGEA) finds that taking action to correct gender pay gaps is three times more effective when combined with reporting pay gap data to the Executive or Board.

The report, *Gender Equity Insights 2018: Inside Australia's Gender Pay Gap*, showed organisations that completed a pay gap audit and took action saw the pay packets of female top-tier managers boosted by \$24,000 on average, while male top-tier manager salaries decreased by \$4,000.

It also found that more Australian employers than ever are taking action to close gender pay gaps, with organisations in the finance and insurance, and mining sectors leading the way.

Key findings:

- More Australian employers are taking action against gender pay gaps. Employers undertaking a pay gap analysis increased from 24.0 per cent to 37.7 per cent between 2014 and 2017.
- About half of reporting organisations that conducted a pay gap analysis took some action in light of the results.
- Only about 1 in 4 organisations that undertook a pay gap analysis reported these results to the Executive.
- Actions to correct gender pay gaps are three times more effective when combined with reporting to the Executive or Board. These organisations saw an average reduction of 3.3 percentage points in their organisation-wide gender pay gap in one year.
- Compared with organisations that took no action on pay equity, companies that report pay gaps to their Board and correct their like-for-like pay gaps have lower full-time managerial pay gaps: 9.7 percentage points lower for base salaries; 12.7 percentage points lower for total salaries.
- Organisations that completed a pay gap audit and took action saw female top-tier managers pay boosted by \$24,000 on average, while male top-tier manager salaries decreased by \$4,000.
- Almost two-thirds of organisations in the finance and insurance and mining sectors undertook a pay equity audit. This compares to around 20 per cent in the female-dominated health and education sectors.

The analysis of WGEA's world-leading data by the BCEC explores gender pay gaps across occupations and industry sectors in over 11,000 organisations covering more than 4 million employees in Australia, providing practical insights into how firms can improve gender equality within their own workplaces.

Report author and BCEC Principal Research Fellow Associate Professor Rebecca Cassells said the report findings re-affirm the positive steps many Australian organisations are taking to reduce gender pay gaps.

"More employers than ever before are taking pay equity seriously, and we are now starting to see this translating into results," Associate Professor Cassells said.

"The proportion of employers who undertook a pay gap analysis has risen considerably over the past four years. Leading the charge are the mining and finance and insurance sectors, with almost two-thirds of organisations in these sectors undertaking a pay equity audit.

"We are seeing a re-balancing between male and female wages, especially among top-tier managers as a result of these actions."

Report co-author and BCEC Director Professor Alan Duncan said the findings show introducing a combination of pay equity actions leads to far stronger outcomes than single actions.

"Actions to correct like-for-like gender pay gaps are three times as effective in reducing overall pay inequities when combined with reporting to executives and boards," Professor Duncan said.

"For managers, the power of combined actions is even more apparent, with the biggest pay gap reductions seen in companies that combined actions to correct like-for-like pay gaps with accountability at Executive and Board level."

WGEA Director Libby Lyons said the report proved the maxim: 'what gets measured gets managed'.

"Organisational gender pay gaps do not close themselves. They must be quantified and analysed, shared with boards and executive teams and acted upon," Ms Lyons said.

"This invaluable report is a call to action for boards and executive teams. They need to ask for their organisation's pay equity metrics and then be accountable for addressing any pay discrepancies."

Ends.../

Background:

The 2016-17 WGEA Gender Equality dataset is based on 4,621 reports submitted on behalf of more than 11,000 employers in accordance with the Act for reporting period 1 April 2016 to 31 March 2017. The dataset captures over 4 million employees – which equates to around 40 per cent of all employees in Australia.

WGEA is an Australian Government statutory agency created by the *Workplace Gender Equality Act 2012*.

BCEC is an independent economic and social research organisation located within the Curtin Business School at Curtin University. The Centre was established in 2012 through the generous support of Bankwest, a division of Commonwealth Bank of Australia.

Notes to the Editor:

Copies of the report are available upon request.

Selected charts from the report are provided below. Hi-resolution versions of all tables and charts in the report are available on request.

Interviews with the report authors and a WGEA spokesperson are available to be pre-scheduled on Thursday 1 and Friday 2 March, including morning radio and television.

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Selected figures and tables

FIGURE 6

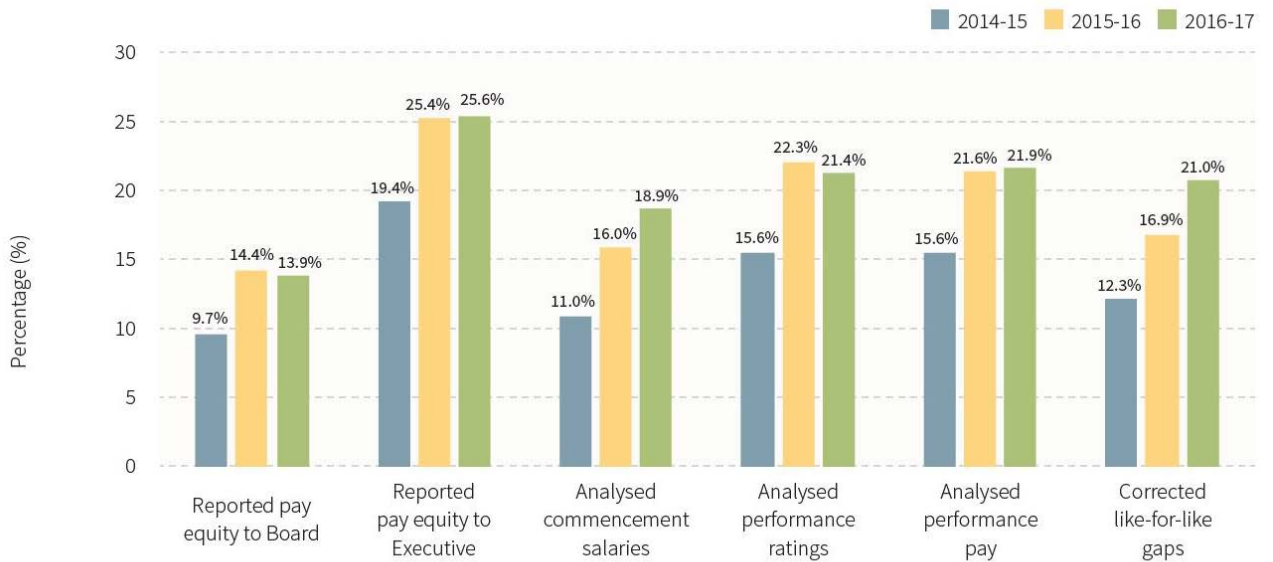
Formal remuneration policy or strategy, pay gap analysis, 2013-14 to 2016-17



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2013-14 to 2016-17.

FIGURE 7

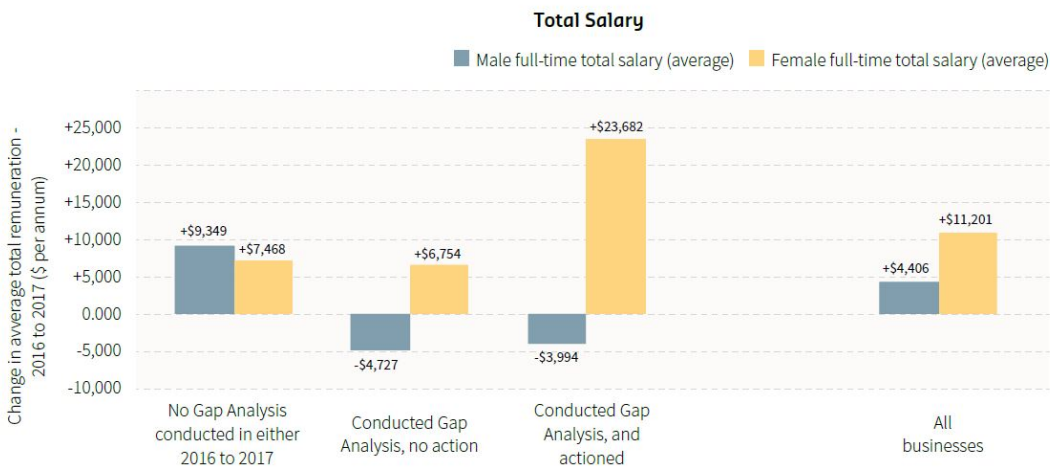
Actions taken as a result of pay gap analysis, 2014-15 to 2016-17



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2014-15, 2015-16 and 2016-17.

FIGURE 12

Change in top-tier manager's pay - audit and actions, base and total salary

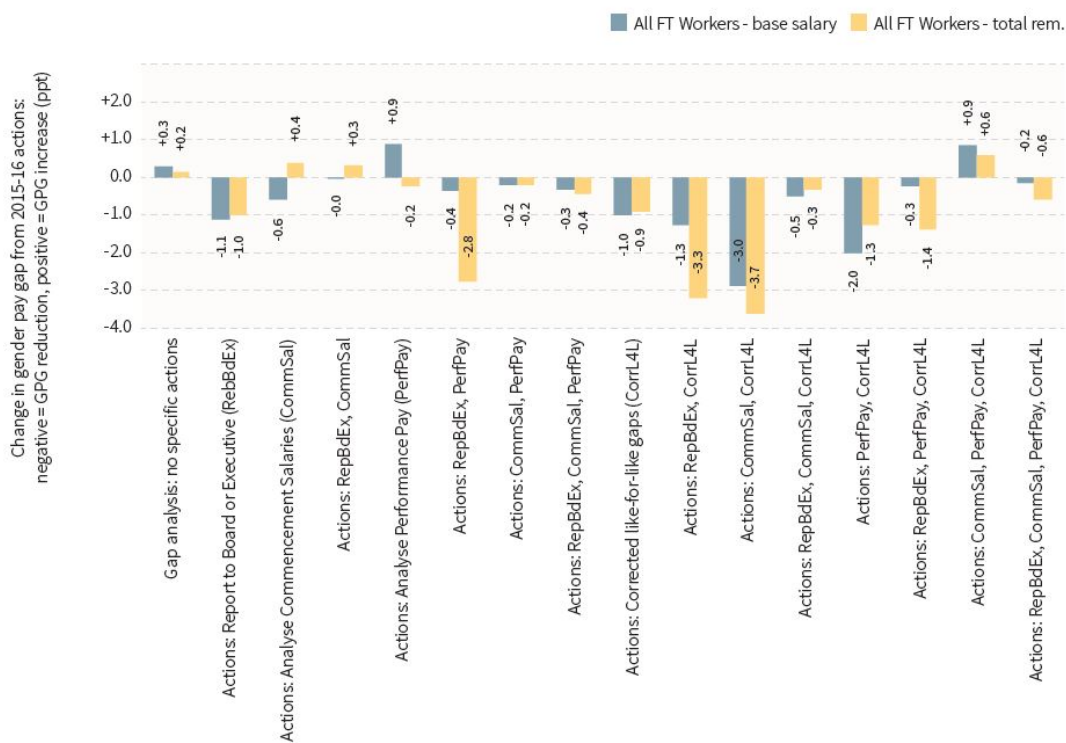


Note: All business change for a specific occupation will not equate to that reported in 'The Big Picture' section as this analysis is based on a selection of firms observed in both the 2016 and 2017 WGEA reporting data. See Glossary and Technical Notes for more details about this occupation classifications.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2015-16 and 2016-17.

FIGURE 18

Gender pay gaps in base salary and total remuneration by combination of pay equity actions: all full-time workers



Note: Figures show the percentage point changes in gender pay gaps between 2015-16 and 2016-17 attributable to specific combinations of pay equity actions undertaken in 2015-16. Data include only those organisations present in both the 2015-16 and 2016-17 WGEA reporting data, and with both male and female workers in the relevant occupation class.

Source: Bankwest Curtin Economics Centre | Authors' estimates based on WGEA workplace data collection, 2015-16 and 2017-18.