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Workplace Gender Equality Agency

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GENDER EQUITY INSIGHTS 2022

THE STATE OF INEQUALITY IN AUSTRALIA

BCEC | WGEA Gender Equity Series

BCEC | WGEA Gender Equity Insights Series

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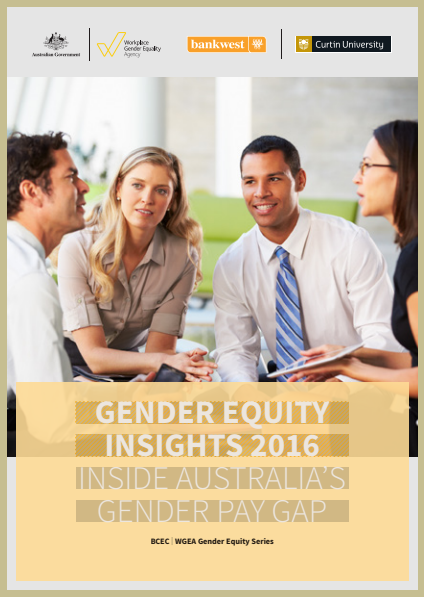

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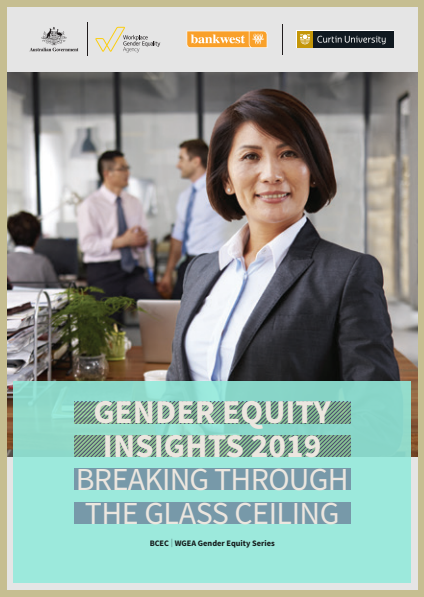

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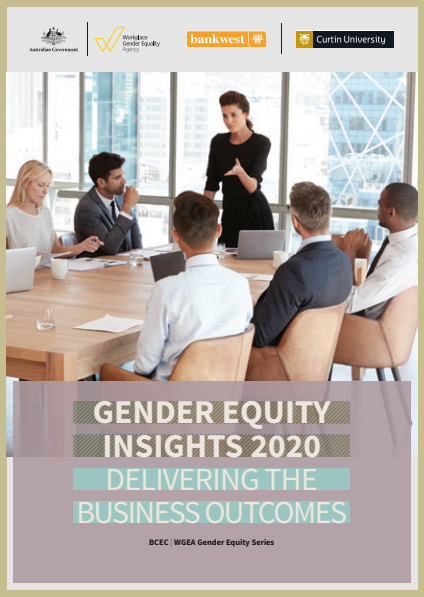

2021

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This paper uses de-identified data from the Workplace Gender Equality Agency's compliance reporting and benchmarking dataset. The findings and views reported in this paper are those of the authors and should not be attributed to the Workplace Gender Equality Agency.

About the Bankwest Curtin Economics Centre

The Bankwest Curtin Economics Centre 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 the Commonwealth Bank of Australia. The Centre's core mission is to deliver high quality, accessible research that enhances our understanding of key economic and social issues that contribute to the wellbeing of West Australian families, businesses and communities.

The Centre's research and engagement activities are designed to influence economic and social policy debates in state and Federal Parliament, regional and national media, and the wider Australian community.

Through high quality, evidence-based research and analysis, our research outcomes inform policy makers and commentators of the economic challenges to achieving sustainable and equitable growth and prosperity both in Western Australia and nationally.

The Centre capitalises on Curtin University's reputation for excellence in economic modelling, forecasting, public policy research, trade and industrial economics and spatial sciences. Centre researchers have specific expertise in economic forecasting, quantitative modelling and economic and social policy evaluation.

About the Workplace Gender Equality Agency

The Workplace Gender Equality Agency is an Australian Government statutory agency created by the Workplace Gender Equality Act 2012.

The Agency is charged with promoting and improving gender equality in Australian workplaces.

We work collaboratively with employers providing advice, practical tools and education to help them improve their gender performance. Our staff are workplace gender equality specialists and provide industry-specific advice.

We also work with employers to help them comply with the reporting requirements under the Workplace Gender Equality Act 2012. This reporting framework aims to encourage measures that improve gender equality outcomes and has been designed to minimise the regulatory burden on business.

The Agency uses the reporting data to develop educational benchmark reports based on six gender equality indicators.

The benchmark reports can be customised by industry and organisation size and enable employers to identify areas for focus, develop informed strategies and measure performance against peers over time.

We are committed to promoting and contributing to understanding, acceptance and public debate of gender equality issues in the workplace. We work collaboratively with employers, business, industry and professional associations, academics and researchers, equal opportunity networks and women's groups and regularly speak at private and public events on workplace gender issues.

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FOREWORD WGEA

This seventh report in the BCEC-WGEA Gender Equity Insights Series provides Australian workplaces with a challenge and a call to action. The research findings show that the gender pay gap could fall in every Australian state and territory if gender balance is achieved across all industries and occupations. This goal is vital to achieving workplace gender equality in Australia.

Yet we are faced with a highly gender segregated workforce in Australia. Data from the Workplace Gender Equality Agency (WGEA) shows that gender segregation occurs by industry and occupation as well as employment type and leadership. Women and men are concentrated in different industries and occupations, and women are underrepresented in full-time employment and leadership positions.

Analysis released earlier this year by WGEA with KPMG and Diversity Council Australia also shows that gender segregation is one of the main contributors to the gender pay gap and, in particular, that industrial segregation as a driver of the gender pay gap has grown in recent years.

This latest contribution to the BCEC-WGEA Gender Equity Insights Series adds to this evidence base. It shows that achieving gender balance (40:40:20) in all industries and occupations could reduce Australia's gender pay gap by more than a third.

The analysis draws on WGEA's 2020-21 dataset. This includes data on employee workplace location and year of birth, which WGEA asked employers to provide on a voluntary basis for the first time in 2020-21 reporting and to which over 70 per cent of employers responded. Using this voluntary data, the report delves further into the dynamics among the gender pay gap, gender segregation, location and age.

Underpinning these dynamics in the Australian workforce are ongoing gender stereotypes, discrimination and bias about what accounts for women's work and men's work. Such gender norms can be internalised so as to influence an individual's course of study and employment goals as well as inform employers' decisions about hiring, promotion and pay.

Gender segregation is impeding progress towards workplace gender equality in Australia.

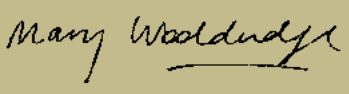
Although gender segregation has been a persistent feature in the Australian workforce, it does not need to become entrenched. In order for Australian workplaces to realise gender equality outcomes and fully address the gender pay gap, we must also address gender segregation.

Australian employers have a critical role to play in addressing gender segregation and promoting gender balance in the workforce.

Employers can attract both women and men to their workforces by de-biasing and de-gendering processes for recruitment, retention, promotion, and pay as well as thinking innovatively about opportunities for training and upskilling. Workplace cultures that are supportive of gender neutral flexible working arrangements and all employees with caring responsibilities are also key.

Importantly, employers must analyse the data within their organisations and industries and set targets to achieve change. Research tells us that targets work. Clear, realistic, time-bound targets set in motion the process and framework for achieving gender equality outcomes.

WGEA aims to support employers in creating and sustaining this momentum. Recommendations from the recent review of the *Workplace Gender Equality Act 2012* include that WGEA work with employers on setting, measuring and achieving gender equality targets. This recommendation and the insights in this BCEC-WGEA Gender Equity Insights report point to the importance of planning, measurement, and accountability for driving positive change and achieving workplace gender equality in Australia.



Mary Wooldridge
Director, Workplace Gender Equality Agency

FOREWORD BCEC

Now in its seventh year, the partnership between the Bankwest Curtin Economics Centre and the Workplace Gender Equality Agency (WGEA) has established a powerful evidence base on the actions that businesses and governments can take to improve gender equality in Australia.

The *2022 BCEC|WGEA Gender Equity Insights* report continues in this tradition, bringing insights that capitalise on new innovations in WGEA's comprehensive organisational reporting data.

This most recent report is the first time since the series began that we've been able to explore pay outcomes for women and men across state jurisdictions and regional areas.

This major innovation takes advantage of new postcode information for employees' places of work in the WGEA data collection.

And we find that location matters.

Gender pay gaps differ substantially between states and territories because of variations in industry composition, but also due to the different gender concentrations across industry sectors.

We show that the overall gender pay gap in Australia can be reduced by up to one third if workplaces are more gender balanced both across industry sectors and at all occupational levels.

The findings in this latest report show the degree to which gender segregation limits women's access to economic opportunities through employment.

And businesses can play an important role to shift the dial.

Gender diversity and the elimination of unconscious bias should be a continued focus in recruitment and promotion practices.

So too should be the removal of gendered barriers to progression in leadership.

Businesses should continue to promote flexible work options and expand the provision of policies that support family and care responsibilities.

The same is true for policies that address workplace harassment and improve respect at work.

But achieving a greater gender balance in traditionally segregated industries and occupations will take us only so far in narrowing gender pay gaps across Australia.

We also need to ensure that occupations and roles more commonly undertaken by women are remunerated in a way that better reflects their value to society.

And not just their contemporaneous benefit, but their ongoing value to society over the medium and longer term.

My hope is that business leaders will take time to consider the findings in this report, and particularly to reflect on what they can do to build a more inclusive and supportive environment within which all workers can thrive.

John Curtin Distinguished Professor Alan Duncan
Director, Bankwest Curtin Economics Centre

EXECUTIVE SUMMARY

One of the most significant innovations in this report draws on our capacity to differentiate gender pay gaps according to the location of employees in the WGEA data collection.

Since 2013, well over 4,000 Australian organisations with more than 100 employees have reported annually to the Workplace Gender Equality Agency on a suite of gender equity indicators spanning pay, leadership and workplace policies and practices.

This world-leading database has advanced our understanding of what initiatives work to create more gender equitable workplaces and what this can mean for better business outcomes.

In this seventh report in the *BCEC|WGEA Gender Equality Insights* series, we focus on what contributes most to the overall gender pay gaps in Australia.

These factors extend beyond a comparison of remuneration within given occupational roles and look closely at the role industry gender segregation plays in contributing to Australia's pay gap.

One of the most significant innovations in this latest report relates to a comparison of pay metrics, gender pay gaps and organisational practices across Australia's states and territories and regional areas. This analysis exploits information - collected for the first time in 2021 – in the most recent WGEA data on the postcode of employees' places of work.[1]

Western Australia tops the league for gender pay gaps

Western Australia is by some margin the state that supports the largest difference in overall pay between women and men. The base salary gender pay gap stands at 26.8 per cent, and reaches 32.1 per cent if bonuses, overtime and other discretionary pay are included.

And much of the responsibility for the high gender pay gap in Western Australia is borne by the gender concentration of many of the state's highest paying industries.

Numerous research studies have shown that industry segregation is among the largest contributor to the gender pay gap in Australia.[2] However, New South Wales, Queensland and the Northern Territory all show gender pay gaps in base salary of between 18.8 per cent and 19 per cent, with Victoria slightly lower, at 18.6 per cent. Tasmania supports the lowest pay gap in base salary across all states and territories, at 11.3 per cent.

For most states and territories, the overall gender pay gap is not caused primarily by salary differences between women and men within specific industry sectors. In most cases, the main driver is instead the concentration of men in higher salary sectors and women in sectors with lower pay. This is certainly the case for Western Australia, Queensland and the Northern Territory.

Persistent differences do remain in the salaries paid to women and men within certain occupations, especially for technicians and trades workers.

Women face a significant remoteness penalty

For the first time since the WGEA gender equality data collection began, it is now possible for the Gender Equity Insights report series to compare the salaries of women and men working in major cities and regional areas across Australia.

Because the WGEA data collection now includes information on the postcode of work for most employees, we can identify the local areas in which they are employed, including the remoteness of their work location.

Our analysis shows that women face a remoteness penalty in the remuneration they can access when working in regional areas of the country.

The average base salary for men working in very remote parts of Australia, at $112,200, is nearly $17,800 higher than for women working in similarly

1 The WGEA data are drawn from private sector companies and non-government organisations employing at least 100 workers. This excludes data on public sector organisations and smaller enterprises, but nevertheless represents a powerful source of information on the pay and work environment of nearly 3 million workers in large businesses across the country.

2 See Cassells, Vidyattama, Miranti and McNamara (2009), 'The impact of a sustained gender pay gap on the Australian economy', Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs.

very remote areas. For those working in remote areas, the base salary difference between men and women is a little higher still, at around $18,500.

For people working in major cities of Australia, the gender pay gap in base remuneration is around 19 per cent. However, the gender pay gap rises steadily to 28.2 per cent for those working in remote areas, and to 29.3 per cent for workers in very remote parts of the country

Most of these differences are driven by large pay gaps for full-time workers. Part-time gender pay gaps are generally much lower across most of the country, and in many cases actively favour women.

The age of divergence

For this latest report, we exploit an important innovation in the WGEA data collection to uncover new insights on the evolution of gender pay gaps for workers across their working life-course.

Along with postcode information, WGEA's reporting data includes the year of birth of employees for most organisations in the data collection. This allows us to explore how pay differentials between women and men vary with age, but also to identify the ages at which gender pay gaps start to emerge between women and men across industry sectors.

Remuneration for women and men in the construction sector diverges from the age of 20, with the construction gender pay gap rising to more than 35 per cent beyond the age of 45.

The gender pay gap in the education and training sector favours women up to age 30, while men earn more than women on average at older ages. And the age of divergence in mining and manufacturing happens far later, with gender pay gaps remaining relatively low until the age of 45.

The age of divergence is likely driven by different factors. Cohort effects, family effects and occupational segregation – either individually or in combination - may all play a role to a greater or lesser degree depending on the sector.

For example, occupational segregation is likely to be the driving factor in the age-related gender pay gaps we see in the construction sector - women are most likely to be working in administrative roles while men are more likely to be in trades occupations.

For mining, we are more likely seeing a cohort effect which has seen greater gender balance in the sector's younger workforce but a retained pay gap among older aged workers.

Yet after taking these potential explanations into account, it is almost always the case that women aged 55 and over face larger differences in remuneration than their male contemporaries, compared to younger cohorts.

These findings raise some important questions about the value that businesses put on the work and contributions of women and men at different ages and across industry sectors, as expressed through the remuneration they receive for their work.

How can we make real headway towards improved gender pay equity?

Gender pay gaps will persist if more women than men continue to work in lower-paid industry sectors, and more men than women work in industry sectors that pay high salaries. And the more extreme is the male and female dominance, the larger the overall gender pay inequities will be.

To make more headway in reducing overall gender pay gaps, we need to understand not just the different gender concentrations across industry sectors, but also the underlying reasons for such differences to have emerged.

To shift the dial would require more women to work in traditionally male-dominated sectors such as mining, manufacturing, science and technology.

But it is as important that more men take up roles in traditionally female-dominated sectors – and that salaries in such roles reflect their true value to society.

If the average annual rate of change continues, the gender pay gap among full-time executives would be eliminated within ten years, and for senior managers in less than fifteen years.

We find that Australia's overall gender pay gap can be reduced by up to one third if all industry sectors and occupations comprised at least 40 per cent of women and 40 per cent of men.

However, that still means that two thirds of the gender pay gap remains to be closed, and salary differences bear a good deal of the responsibility.

Gender concentration does not in and of itself create gender pay gaps.

Rather, it is the *interplay* between gender concentration and differences in remuneration between female-dominated and male-dominated industries or roles that drives the overall differences in average salaries between women and men.

Childcare, aged and health care sector roles that have traditionally been undertaken by women need to be remunerated in a way that better reflects their value to society, and not just the immediate, short-term benefit, but the ongoing value that health and care sector occupations give to society over the medium and longer term.

Some of the solutions to improve gender equity are held by businesses and government…

One of the fundamental imperatives for businesses should be to ensure that all policies and practices related to recruitment, retention and promotion are conscious and consistent in promoting a greater equality of opportunity for women in securing roles across all industries, whatever the occupation or leadership level to which they aspire.

Businesses can also take actions to level the playing field for women within their organisations, or for those seeking to join their workforce.

A pay equity audit across all levels of occupational seniority should be an essential first step, and one that has been demonstrated to drive improved workplace gender equity.

Businesses should continue to explore flexible work models and expand the provision of policies that support family and care responsibilities.

Specific targeted policies to eradicate sexual harassment and promote greater respect at work, and support measures to assist people experiencing family and domestic violence (FDV).

And governments should use all policy levers at their disposal to support the creation of a positive, respectful and fair workplace environment.

These should include the regulation of workplace standards relating to health, safety and respect, mandated paid FDV leave, and the introduction of transparent reporting and publishing information on gender pay gaps.

Subsidies that mitigate the high costs of childcare are certainly effective in reducing barriers to employment among families with children.

But the childcare quality and flexibility is another important part of the story – especially since the flexibility of childcare services may not be evolving to meet the changing needs of an increasingly flexible workforce.

But society also has a critical role to play

Gender differences in workforce composition should not be considered as a justifiable 'explanation' for high gender pay gaps.

On the contrary, this report shines a spotlight on the severity of gendered inequalities in remuneration, and particularly the challenges that women face in accessing the same higher-paying occupational roles in the same industry sectors as men.

The report highlights the importance of actions to support the aspirations of girls and women of all ages to target any career they choose.

There is also a broad imperative for society to reflect on the true value of care sector roles related to childcare, health or residential aged care, and for that value to be reflected in the remuneration attracted by such roles.

INTRODUCTION

The persistence of Australia's gender pay gap, and the sorts of actions that can be taken to narrow that gap, remain topics of continued focus for governments, businesses, and peak organisations across the country.

The focus has been sharpened with the decision announced in the Jobs and Skills Summit to establish the Women's Economic Equality Taskforce with a brief to assist in the development of a National Strategy to Achieve Gender Equality.

This year's *BCEC|WGEA Gender Equity Insights* report looks beyond a comparison of pay between women and men in the same occupations and examines the role industry gender segregation plays in contributing to the overall pay gap.

Our analysis compares average pay differences between women and men across state jurisdictions and regional areas, taking advantage of new postcode information on employees' places of work available for the first time in the latest WGEA data collection.

The report asks the question: by how much would gender pay gaps change across Australia's states and territories if workforces were more gender balanced?

And the report ends by considering the actions that businesses can take to ensure that Australia continues its progress towards gender equity, and that women are not disadvantaged or discouraged in their abilities to accessing the economic opportunities through employment.

"ONE OF THE MOST SIGNIFICANT INNOVATIONS IN THIS REPORT DRAWS ON OUR CAPACITY TO DIFFERENTIATE GENDER PAY GAPS ACCORDING TO THE LOCATION OF EMPLOYEES IN THE WGEA DATA COLLECTION."

HOW AND WHY DO GENDER PAY GAPS VARY BY STATE?

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Western Australia is by some margin the state that supports the largest difference in overall pay between women and men.

Tasmania supports the lowest pay gap in base salary across all states and territories, at 11.3 per cent.

One of the most significant innovations in this report draws on our capacity to differentiate gender pay gaps according to the location of employees in the WGEA data collection.

Information on the postcode of employees' place of work - collected for the first time in 2021 - allows for a comparison of pay, gender pay gaps and company policies experienced by workers in organisations with 100 or more employees across Australia's states and territories, and in regional areas.

These data don't capture the entire local labour force, given the role of small business in our regions, but they nevertheless provide a revealing picture of regional gender differences in access to employment in larger enterprises.[3]

Western Australia is by some margin the state that supports the largest difference in overall pay between women and men.

The gender pay gap in Western Australia is calculated at 26.8 per cent for base salary, (Figure 1) and 32.1 per cent in total remuneration (which includes bonuses, overtime and other discretionary pay).

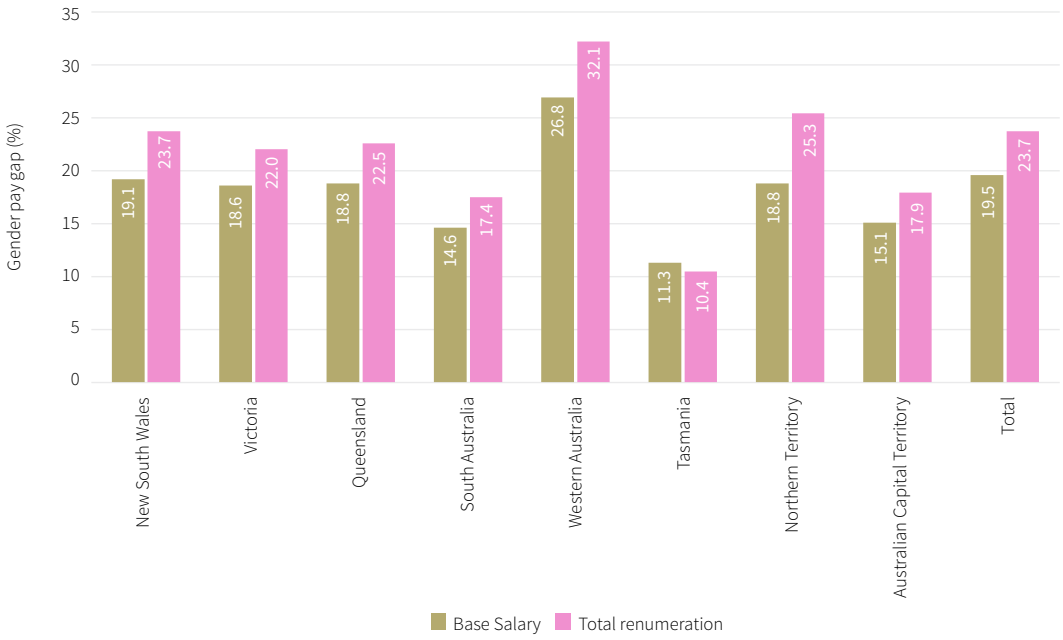
New South Wales, Queensland and the Northern Territory all show gender pay gaps in base salary of between 18.8 per cent and 19 per cent, with Victoria slightly lower, at 18.6 per cent. Tasmania supports the lowest pay gap in base salary across all states and territories, at 11.3 per cent.

The gender pay gap in total remuneration is almost always higher than the overall gender differences in base salary. For example, the total remuneration pay gap in the Northern Territory is 25.3 per cent compared to a base pay gap of 18.8 per cent.

This suggests that women are generally less able to access discretionary pay than men, which in turn serves to amplify pay gaps.

FIGURE 1

Gender pay gaps by state and territory of employee's place of work: 2020-21



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2020-21

[3] The WGEA data are drawn from private sector companies employing at least 100 workers. This excludes data on public sector organisations and smaller enterprises, but nevertheless represents a powerful source of information on the pay and work environment of nearly 3 million workers in large businesses across the country.

Why do gender pay gaps vary by state?

The fact that gender pay gaps vary by state is already well established, for example through the Wage Price Index series published by the Australian Bureau of Statistics (ABS).

However, until now we have not been able to capture the main drivers of gender pay gaps across geographical areas, nor the industries or occupational categories that contribute most to the differences in average pay between women and men.

In this *BCEC|WGEA Gender Equity Insights* report, we break new ground by linking pay gaps directly to gender differences in the workforce composition across industries and occupations in different states, as well as to differences in remuneration within given occupational categories in each industry.

There are some sharp differences in the gender workforce composition across industries, as expected.

The mining, construction and manufacturing sectors employ the lowest shares of women, typically under 30 per cent of the sector workforce (Table 1).

Transport, postal and warehousing, and in private sector electricity, gas, water and waste services organisations are also relatively male dominated.

On the other hand, women comprise around 80 per cent of the workforce in the health care and social assistance sector, and two thirds of workers in the education and training sector. Retail trade workers are also more likely to be women.

31 per cent of the construction sector workforce in Victoria and 27 per cent of construction workers in New South Wales are women.

For Western Australia, the comparable share of women in the construction sector workforce is 16 per cent, and in Tasmania, only 9 per cent.

TABLE 1

Gender concentration by state and industry sector: 2020-21

Industry sector	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory
	Share of female workers (%)							
Accommodation and Food Services	53	54	55	54	53	59	50	49
Administrative and Support Services	48	50	45	47	45	43	40	50
Agriculture, Forestry and Fishing	34	37	42	27	51	26	40	(a)
Arts and Recreation Services	49	45	53	51	52	46	46	55
Construction	27	31	29	19	16	9	15	16
Education and Training	65	66	68	66	65	68	65	68
Electricity, Gas, Water and Waste Services	20	30	20	23	24	(a)	(a)	35
Financial and Insurance Services	52	48	57	60	56	46	63	51
Health Care and Social Assistance	79	79	80	80	83	79	64	75
Information Media and Telecommunications	42	43	40	29	38	37	(a)	29
Manufacturing	30	28	24	26	23	20	21	23
Mining	12	26	16	20	19	9	15	(a)
Other Services	59	53	48	61	41	70	45	66
Professional, Scientific and Technical Services	47	46	49	42	45	47	45	37
Public Administration and Safety	22	22	25	14	23	20	29	17
Rental, Hiring and Real Estate Services	40	43	40	30	33	38	38	43
Retail Trade	58	61	61	61	63	61	59	53
Transport, Postal and Warehousing	31	30	30	26	28	17	20	39
Wholesale Trade	40	37	31	33	29	26	29	29
Total	**53**	**52**	**52**	**55**	**47**	**52**	**45**	**54**

Notes: Shares reported for cell sizes of 100 people or more.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2020-21

There are relatively low shares of women employed as technicians and trades workers in Western Australia and the Northern Territory (both 12 per cent).

Around 70 per cent of community and personal service workers are women for most states across the country....

But it's also interesting to see how the shares of women employed in each industry sector vary across states and territories.

For example, among organisations that report to WGEA, 31 per cent of the construction sector workforce in Victoria and 27 per cent of construction workers in New South Wales are women (Table 1).

For Western Australia, the comparable share of women in the construction sector workforce is 16 per cent, and in Tasmania, only 9 per cent.

Women make up around half of the workforce for reporting organisations in the agriculture, forestry and fishing sector in Western Australia. The comparable figure is close to a third in New South Wales and Victoria, and a quarter in Tasmania.

There are also differences in the shares of women and men by occupational category in each state and territory.

For example, there are relatively low shares of women employed as technicians and trades workers in Western Australia and the Northern Territory (both 12 per cent), compared to New South Wales (16 per cent), Victoria (19 per cent), and South Australia (22 per cent) (Table 2).

The share of women working as machinery operators and drivers is also relatively low, at around 15 per cent, but also relatively even across jurisdictions.

Around 70 per cent of community and personal service workers are women for most states across the country, but female employment shares are significantly lower in the Northern Territory (54 per cent) and the Australian Capital Territory (64 per cent).

Depending on the relative remuneration of women and men *within* each industry sector, and the relative pay *between* industry sectors, these compositional differences in workforce shares for the same industry could have a material bearing on differences in the overall gender pay gaps across states and territories.

This conjecture is something we will return to later in this report.

TABLE 2

Gender concentration by state and occupational category: 2020-21

Occupational category	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory
	Share of female workers (%)							
CEOs and Heads of Business	26	30	26	34	26	17	(a)	(a)
Key Management Personnel	34	35	34	35	29	31	(a)	38
Executive managers	34	35	30	40	29	38	49	36
Senior managers	39	37	35	38	32	38	34	40
Other managers	45	43	44	45	41	43	39	44
Professionals	56	54	57	60	51	64	54	56
Technicians and trades workers	16	19	14	22	12	15	12	17
Community and personal service workers	73	70	73	73	74	72	54	64
Clerical and administrative staff	75	71	78	76	78	76	70	72
Sales staff	59	60	61	61	61	58	56	57
Machinery operators and drivers	14	16	15	15	16	9	14	18
Labourers	40	39	38	38	36	33	31	40
Other non-managers	36	39	42	37	47	(a)	36	17
Total	**53**	**52**	**52**	**55**	**47**	**52**	**45**	**54**

Notes: Shares reported for cell sizes of 100 people or more.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2020-21

DO WOMEN FACE A REMOTENESS PENALTY?

For the first time since the WGEA gender equality data collection began, it is possible to compare the pay and workforce situation of women and men working in major cities and regional areas across Australia.

Because the data collection now includes information on the postcode of work for most employees, we can identify the local areas in which they are employed, including the remoteness of their work location.[4]

Our analysis shows that women face a remoteness penalty in the pay they can access when working in remote parts of the country.

The average base salary for men working in very remote parts of Australia, at $112,200, is nearly $17,800 higher than for women working in similar areas (Figure 2 Panel a).

For those working in remote areas, the base salary difference between men and women is a little higher still, at around $18,500.

The remoteness penalty is shown vividly by the gradient of the gender pay gaps according to the degree of remoteness of the place of work (Figure 2 Panel b).

For those working in major cities of Australia, the gender pay gap in base salary is around 19 per cent. However, the gender pay gap rises steadily to 28.2 per cent for those working in remote areas, and to 29.3 per cent for workers in very remote parts of the country.

The remoteness penalty is shown vividly by the gradient of the gender pay gaps according to the degree of remoteness of the place of work.

FIGURE 2

Full-time annual salaries and gender pay gaps by remoteness area: 2020-21

Notes: Data comprise only those employees in the WGEA collection that are reported with postcode data, weighted to control for postcode response differences across industries and occupations. The matched comparisons of base salaries align women and men in each regional area according to their occupation, industry, age and employment status.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2020-21.

4 Each worker can be allocated to a geographical area using a concordance of postcodes to the Australian Standard Geographical Classification (ASGC) provided by the Australian Bureau of Statistics (ABS).

Much of the responsibility for the high gender pay gap in Western Australia is borne by the gender concentrations of many of the state's highest-paying industries.

Compositional differences in industry and occupation drive some of the gender differences in remuneration shown in Figure 2.

However, gender pay gaps remain and rise with the degree of remoteness, even if the salaries of women and men are matched and compared according to industry, occupation, age and employment status.[5] The matched salary comparisons are shown alongside the raw (unmatched) data in Figure 2.

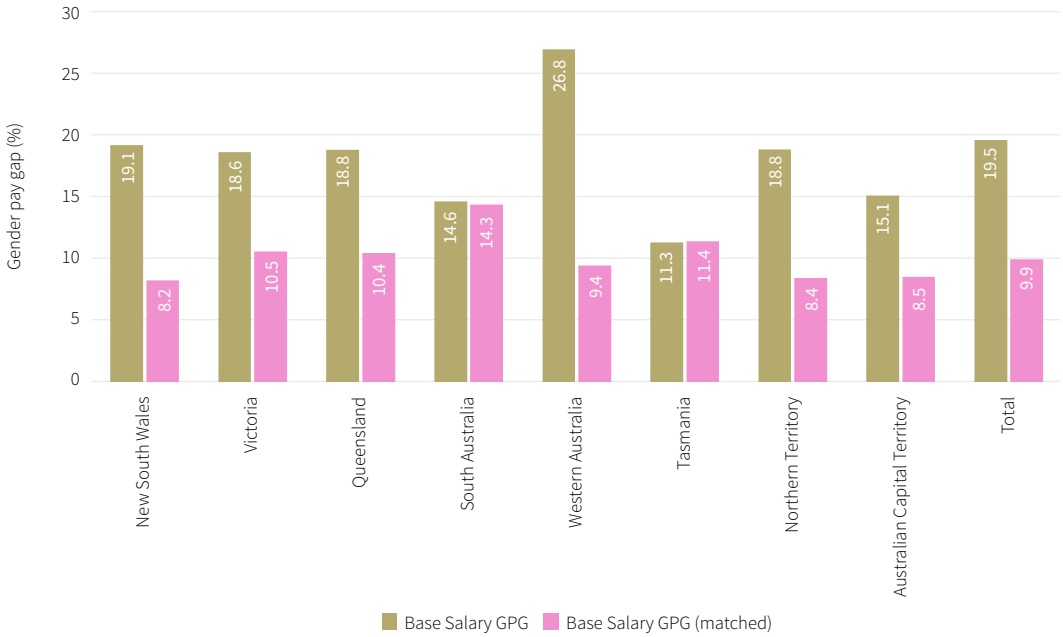
The same statistical process is applied to the comparison of gender pay gaps across states and territories (Figure 3).

Much of the responsibility for the high gender pay gap in Western Australia is borne by the relative concentrations of many of the state's highest-paying industries. When remuneration outcomes for women are compared with a hypothetical matched sample of men with the same workforce characteristics, Western Australia's gender pay gap changes from 26.8 per cent to 9.4 per cent. Indeed, compositional differences in the workforce between men and women are responsible for around half of the gender pay gaps for most jurisdictions.

The two exceptions to this rule are South Australia and Tasmania, both of which have roughly the same gender pay gaps when pay outcomes for women are compared with those for a matched sample of men. This suggests that most of the gender pay gap is due to differences in remuneration within the same occupational categories, and in the same industry sectors.

FIGURE 3

Estimated gender pay gaps by state and territory: controlling for compositional differences in job roles accessed by women and men

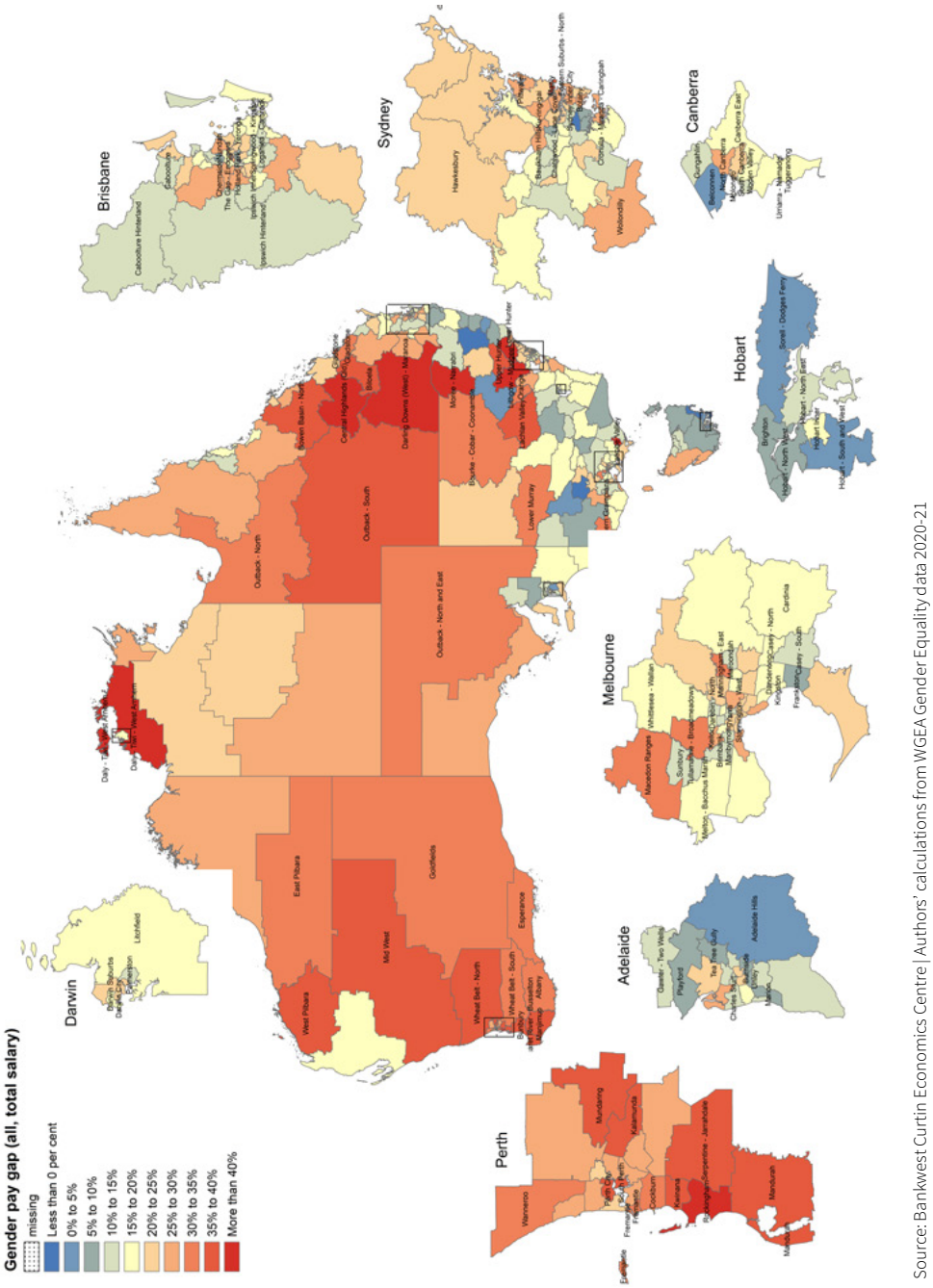


Notes: Data comprise only those employees in the WGEA collection that are reported with postcode data, weighted to control for postcode response differences across industries and occupations. The matched comparisons of salaries align women and men in each regional area according to their occupation, industry, age and employment status.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2014 to 2020.

5 For each woman in the WGEA employee data collection, we draw a small 'matched' sample of men from the same local area, working in the same industry and occupational category, each of whom are as close as possible in terms of their age and employment status.

FIGURE 4
Gender pay gaps (total remuneration) by SA3 local area: 2020-21



Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21

These new results emphasise the challenges that women face in accessing the same higher-paying occupational roles in the same industry sectors as men.

It is well worth emphasising that gender differences in workforce composition between women and men should not be considered as a justifiable 'explanation' for high gender pay gaps.

Rather, these new results emphasise the challenges that women face in accessing the same higher-paying occupational roles in the same industry sectors as men.

They also highlight the importance of actions that support aspirations and promote a greater equality of opportunity for women in securing roles across all industries, all occupational categories, and at all levels of leadership.

How are gender pay gaps distributed across Australia's regional geography?

As a further demonstration of how varied the experiences of women and men are in different parts of the country, Figure 4 shows the geographical breakdown of gender pay gaps in total remuneration using to the Australian Bureau of Statistics' SA3 geographic classification.

Higher gender pay gaps are shown in progressively darker shades of red, with low gender pay gaps in green and blue. The deepest blue shade represents a gender pay gap in favour of women.

The first feature of this map that stands out is the prevalence of high gender pay gaps in many of the more remote parts of the country, reinforcing our earlier findings on a remoteness penalty for women working in regional and remote areas.

Lower gender pay gaps can be found in a number of outer metropolitan areas around the eastern seaboard, to the west of Brisbane city and inland from Sydney.

For Western Australia, we see a relatively even spread of high gender pay gaps in Perth City and in outer regional and remote areas of the state.

We use a similar mapping exercise to explore separately the distribution of gender pay gaps by local areas for full-time workers (Figure 5) and part-time workers (Figure 6).

These two maps demonstrate very clearly that the majority of the salary differences between women and men for most parts of the country stems from gender gaps in remuneration for full-time workers.

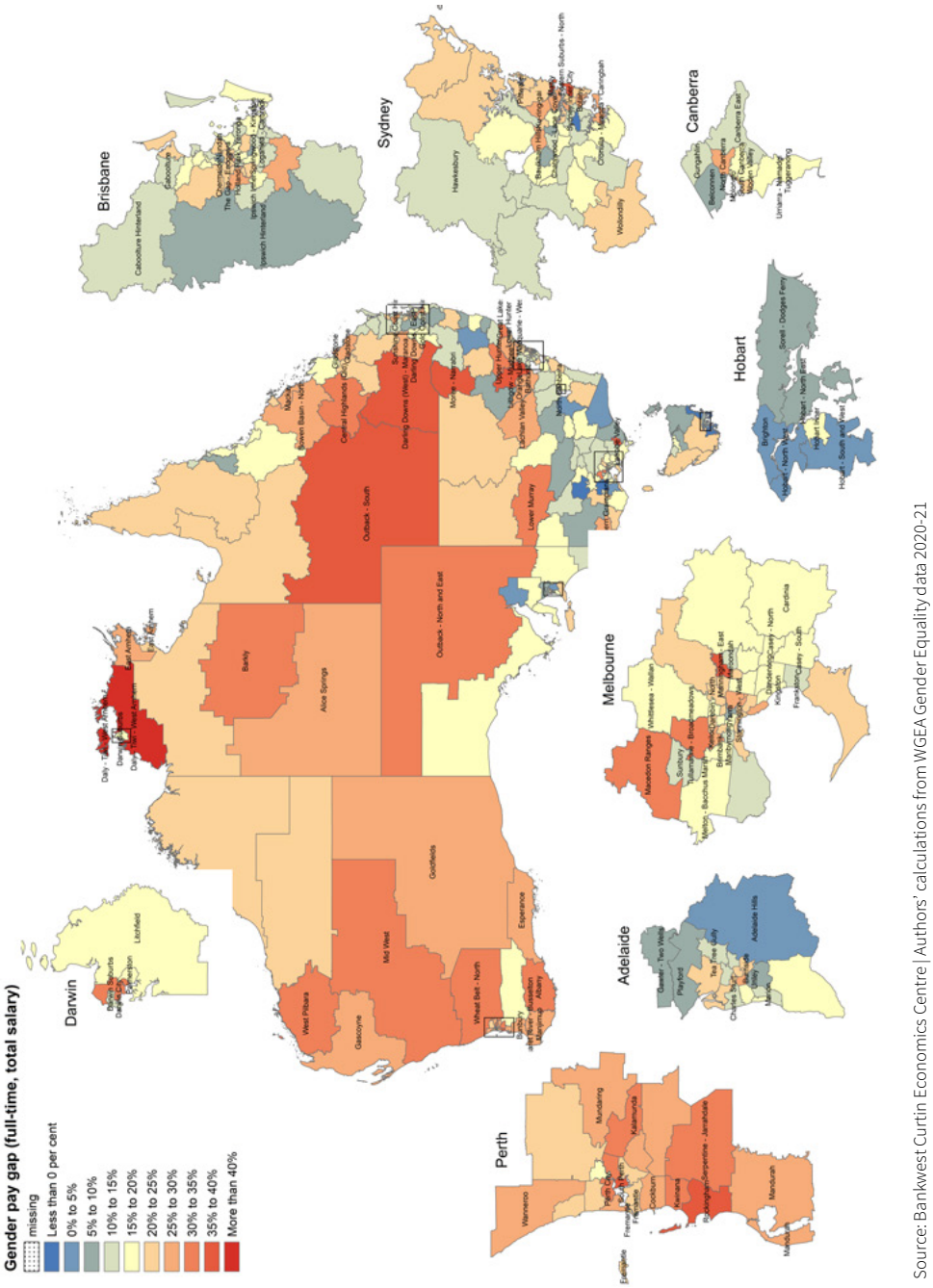
This is demonstrated through the strong similarity between the gender pay gaps for all employees, as shown in Figure 4, and those for full-time workers (Figure 5).

However, gender pay gaps for part-time workers (Figure 6) are generally much lower across most of the country, and in many cases actively favour women.

There are some relatively high part-time gender pay differentials in some of the more remote regions in central Australia, but these are far more the exception than the norm.

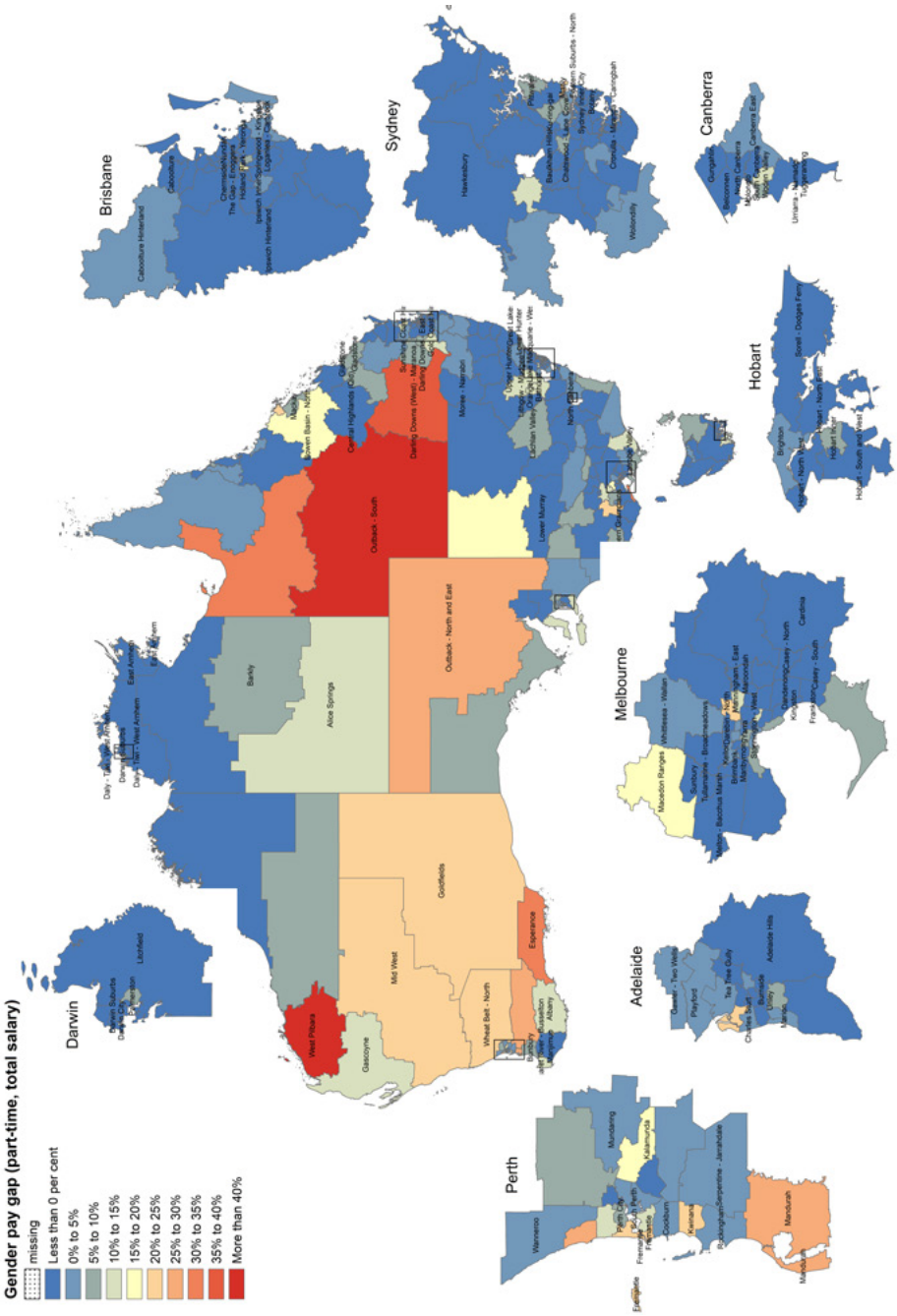
Taken together, the three maps provide a vivid demonstration of the role that compositional differences can play in amplifying or mitigating gender pay gaps.

FIGURE 5
Gender pay gaps for **full-time workers** by SA3 local area: 2020-21



Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21

FIGURE 6
Gender pay gaps for **part-time workers** (base salaries) by SA3 local area: 2020-21



Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21

THE CONTRIBUTION OF WORKFORCE COMPOSITION TO GENDER PAY INEQUITY

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To make more headway in reducing overall gender pay gaps, it is critically important to understand what drives differences in the number of women and men working across industry sectors.

We also need to understand what can be done to break into the gendered worker concentrations that have been embedded in Australia's industry landscape for so long.

It is entirely feasible that large overall gender pay gaps can emerge even when there are no significant differences in women's and men's pay within the same occupational categories, or within the same industry sector.

The overall pay gap will persist if more women than men work in lower-paid industry sectors, and more men than women work in industry sectors that pay high salaries. And the more extreme is this male and female dominance, the larger will be the overall gender pay inequities.

Figure 7 plots average base salaries against the share of women in the WGEA sample working in each of the standard industry divisions in Australia. The size of the bubble represents the number of people in the WGEA data collection working in each industry.

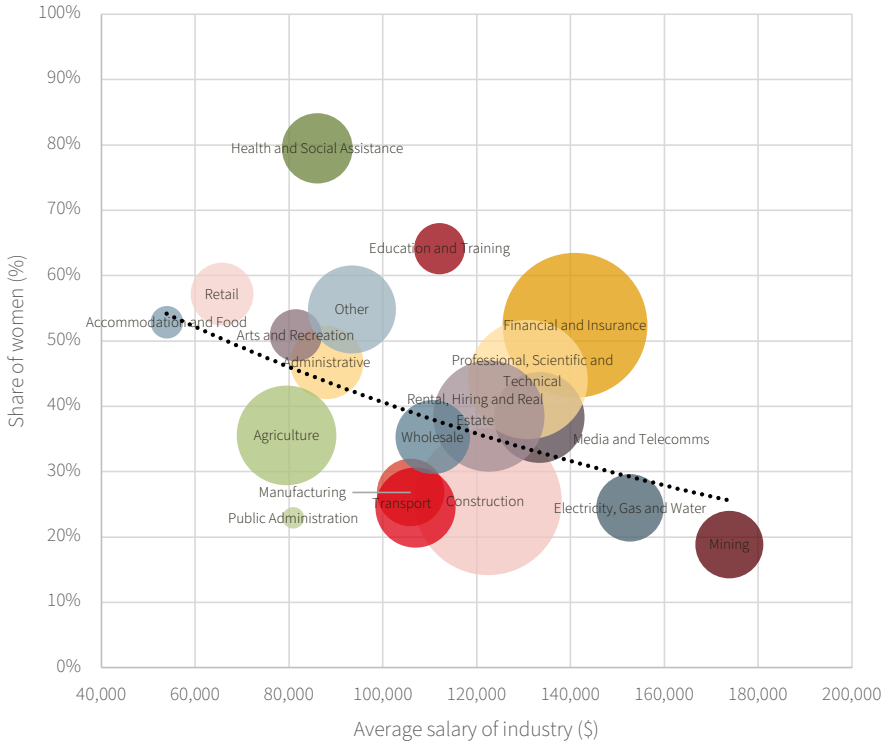
The chart shows a clear negative relationship between the share of women working in an industry sector in the largest employing organisations, and the salary level of that sector. This is particularly the case for health care and social assistance, and retail trade.

To make more headway in reducing overall gender pay gaps, it is critically important to understand what drives differences in the number of women and men working across industry sectors.

We also need to understand what can be done to break into the gendered worker concentrations that have been embedded in Australia's industry landscape for so long.

FIGURE 7

Average salaries and shares of women in workforce, by industry sector: Australia



Notes: The relative sizes of the bubbles are proportional to the national gender pay gaps in each industry among workers employed by WGEA reporting organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

What will drive change?

The normalisation of flexible work arrangements - for both women and men - is an effective strategy in breaking down gendered barriers to employment (Cassells and Duncan, 2019).

In this section we look at key strategies employed by Australian organisations to address barriers constraining women's work and how these have evolved over time.

The last four years have seen dramatic improvements in the share of companies offering flexible work strategies to their workers (Figure 8). However, most of the changes are concentrated in certain domains of work flexibility.

The share of businesses that promote flexible work throughout their organisation has risen from 15 per cent in 2017 to nearly 68 per cent in 2021, with COVID-19 no doubt the key driver of this change.

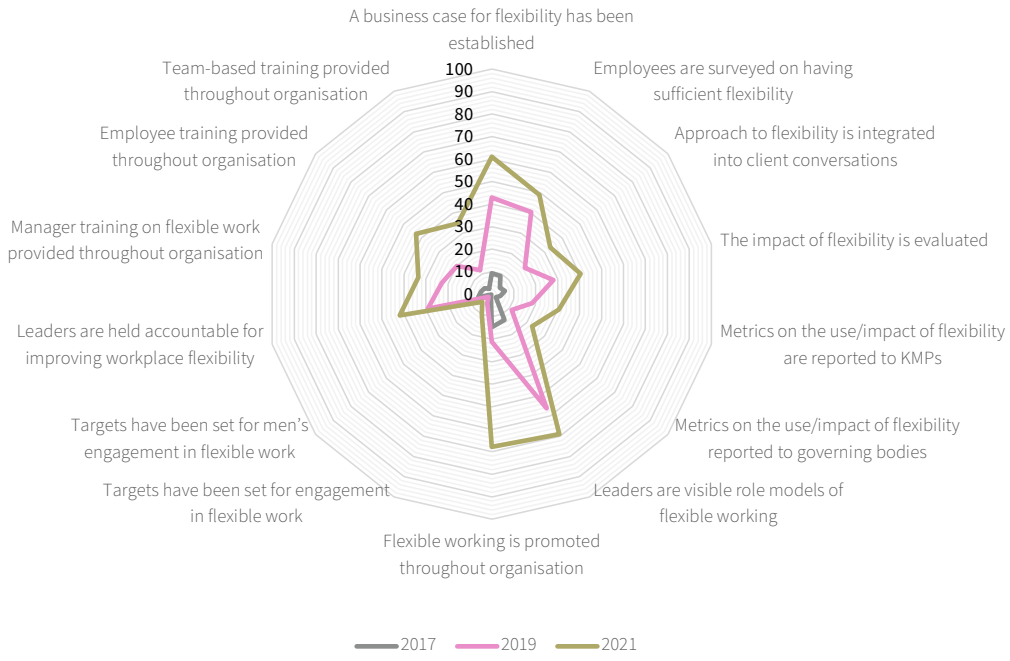
Leaders are visible role models of flexible working for nearly 70 per cent of businesses. However, only 1 in 10 organisations set targets for engagement in flexible work, and only 5 per cent extend those targets specifically for men.

The last 4 years have seen dramatic improvements in the share of companies offering flexible work strategies to their workers.

The share of organisations promoting flexible work has gone up from 15 per cent in 2017 to nearly 68 per cent in 2021.

FIGURE 8

Share of organisations with flexible work strategies: 2017 to 2021



Notes: Organisations that are consistently observed in each year of the WGEA reporting data are selected for this analysis.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2017 to 2021.

Other than paid parental leave, the measures available to workers with family or caring responsibilities are relatively limited both in scope and in size.

Only 5 per cent of employers offered subsidised childcare in 2021.

Policies that support the family and care responsibilities of their workforce are better for employees, but better for businesses also.

The provision of high quality paid parental leave is a case in point.

Earlier research in this series showed that employer-provided paid parental leave is a crucial element in supporting women to stay in the workforce, with female managers twice as likely to return to work if their employer provides 13+ weeks of paid parental leave (Cassells and Duncan, 2019).

But other than paid parental leave, the measures available to workers with family or caring responsibilities are relatively limited both in scope and in size (Figure 9).

Access to affordable childcare is a priority for many working families in Australia, and workplaces that provide on-site childcare have been found to reduce the loss of female managers during paid parental leave by almost one fifth (Cassells and Duncan, 2019).

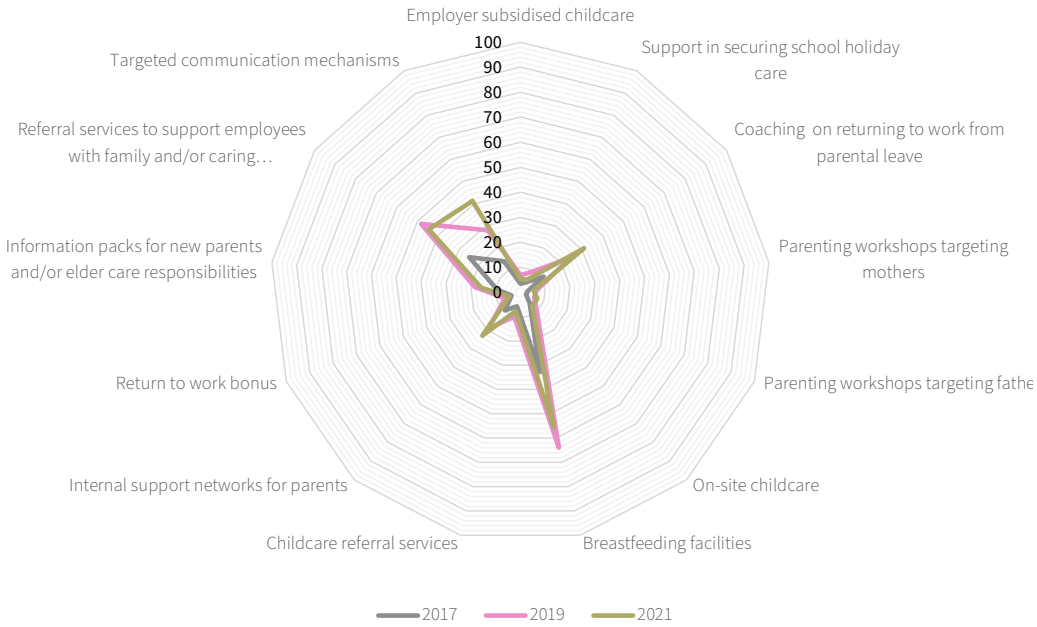
And yet only 5 per cent of organisations that report to WGEA offer subsidised childcare, only a minority (7 per cent) offer on-site childcare support or childcare referral services, and less than 6 per cent offer support for school holiday care.

Career interruptions associated with parenthood are another important aspect of women's working lives that pose challenges to their career development and progression.

Most businesses now offer breastfeeding facilities, and nearly 31 per cent offer coaching on returning to work from parental leave. However other forms of support for career interruptions such as a return to work bonus are relatively rare.

FIGURE 9

Prevalence of strategies (other than leave) for workers with family/caring responsibilities: 2017 to 2021, share of organisations (%)



Notes: Organisations that are consistently observed in each year of the WGEA reporting data are selected for this analysis.
Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2017 to 2021.

Domestic violence is pervasive in Australia and it has profound impacts on women's lives and careers.

A recent BCEC report estimates that the annual costs to employers from the time lost due to absenteeism of award-covered employees because of domestic violence is at $14.3 million (BCEC 2022).

This reinforces the strong economic case for strategies to help affected workers offset the costs of domestic violence.

Encouragingly, we see an increasingly large share of organisations putting in place a wide set of measures to support employees experiencing domestic violence.

As of 2021, 97 per cent of the organisations that report to WGEA offered unpaid domestic violence leave to their employees, compared to only 33 per cent of organisations that offered access to paid leave.

However we are likely to see this share rise in the years to come following the Fair Work Commission's recent decision that workers on modern award wages should have access to 10 days of paid domestic violence leave – a decision influenced by BCEC's 2022 report.

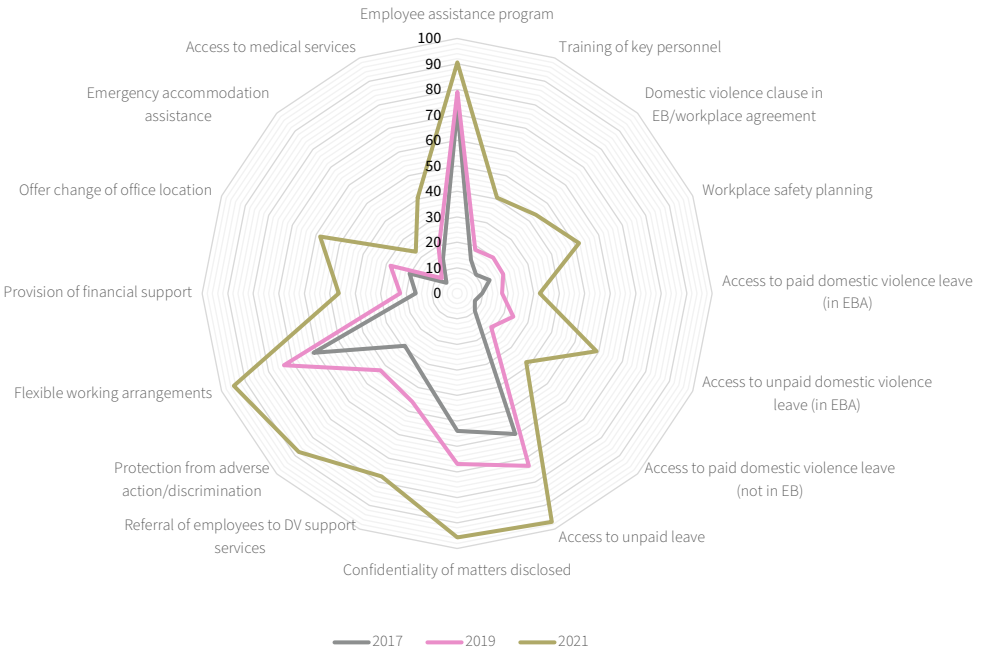
A range of other measures to support survivors of domestic violence were highly prevalent among the organisations in the sample as of 2021. These include provisions to have confidentiality of matters disclosed (96%), dedicated flexible working arrangements (95%), employee assistance programs (91%) and protection from adverse action (88%).

On the other hand, only 23 per cent of organisations offered assistance with emergency accommodation in 2021, which could be a crucial form of support for survivors.

We see an increasingly large share of organisations putting in place a wide set of measures to support employees experiencing domestic violence.

FIGURE 10

Prevalence of strategies for employees experiencing domestic violence: 2017 to 2021, share of organisations (%)



Notes: Organisations that are consistently observed in each year of the WGEA reporting data are selected for this analysis.

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2017 to 2021.

"NORMALISING FLEXIBLE WORK ARRANGEMENTS - FOR BOTH WOMEN AND MEN - IS AN EFFECTIVE STRATEGY IN BREAKING DOWN GENDERED BARRIERS TO EMPLOYMENT."

WHAT CONTRIBUTES MOST TO GENDER PAY GAPS ACROSS STATES AND TERRITORIES?

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Information on the postcode of employees' place of work has been included for the first time in the 2021 WGEA data collection.

Information on the postcode of employees' places of work has been included for the first time in the 2021 WGEA data collection.

This has given us an unparalleled opportunity to explore differences between states and territories in the pay and workplace policies experienced by workers in organisations that report to the Agency.

The headline data at the start of this report (Figure 1) reaffirm the large differences that exist between states and territories in their respective gender pay gaps.

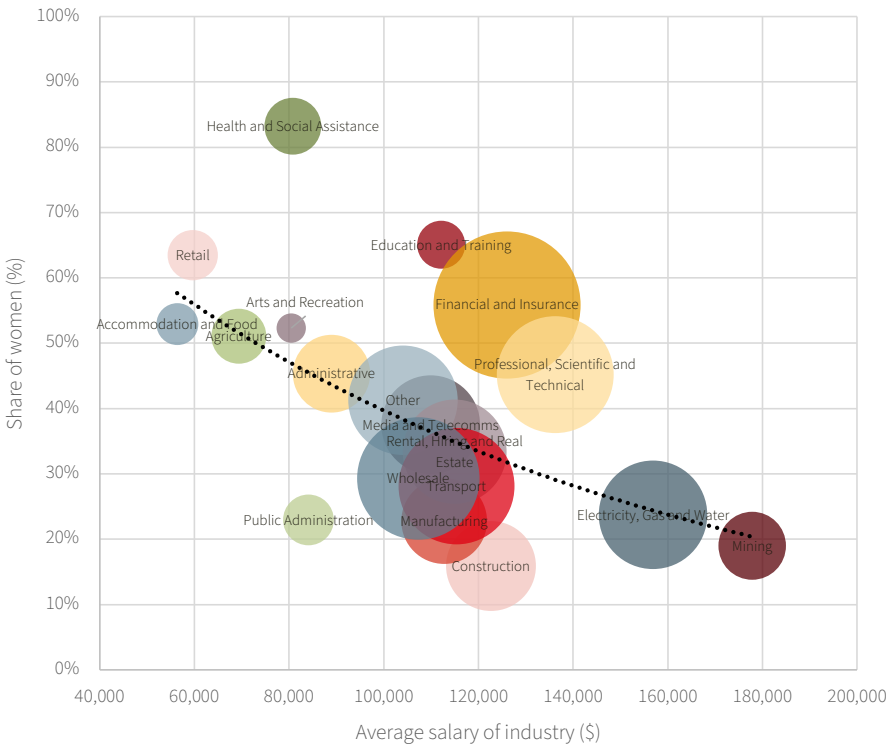
But how much does the industry composition in each jurisdiction, and the gender balances and salary differences in each sector, contribute to these differences?

Figure 11 shows how average salaries relate to the share of women in the workforce in different industries for Western Australia, the state with the largest gender pay gap in the country (32.1 per cent in total remuneration).

This shows very clearly that industries with higher shares of women are typically those with lower average salaries. And most of the largest gender pay gaps (the larger bubbles) are for sectors with lower shares of women. The same is true nationally (Figure 7).

FIGURE 11

Average salaries and shares of women in workforce, by industry: Western Australia



Notes: Calculations are based on total remuneration. The relative sizes of the bubbles are proportional to the gender pay gaps in each industry among workers employed in Western Australia by WGEA reporting organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

We use this as the motivation for a deeper dive into the factors that contribute most to the overall gender pay gaps in Australia, and across states and territories.

This is an important step in the search for potential solutions to increase women's economic equality through work, and a useful signpost for what needs to be done if we're to make any headway in reducing gender pay gaps across Australia.

If *more* men than women work in a *higher salary* industry sector, the effect of the gender concentration will be to increase the overall gender pay gap.

And the reverse is true. A *male-dominated* industry that pays *lower* salaries than other sectors will have the effect of *reducing* the aggregate gender pay gap.

The same applies to industries that are dominated by women – if the sector pays relatively low (high) salaries, the concentration adds to (subtracts from) the overall gender pay gap.

This provides us with an empirical approach to capture the effects of gender concentration and salary differences within industry classes, and for other factors such as occupational category.

The effects of gender concentration are modelled using a counterfactual in which the total workforce within an industry sector is equally balanced between women and men.

The effects of salary differences on the overall gender pay gap are modelled using a counterfactual in which salaries are equalised between women and men within an industry sector to the average.

AUSTRALIA

We start by looking at the aggregate effects of gender concentration and salary differences by industry sector and occupation on the national gender pay gap.

For 2020-21, the overall difference in total annual remuneration between men and women in Australia was $25,792.

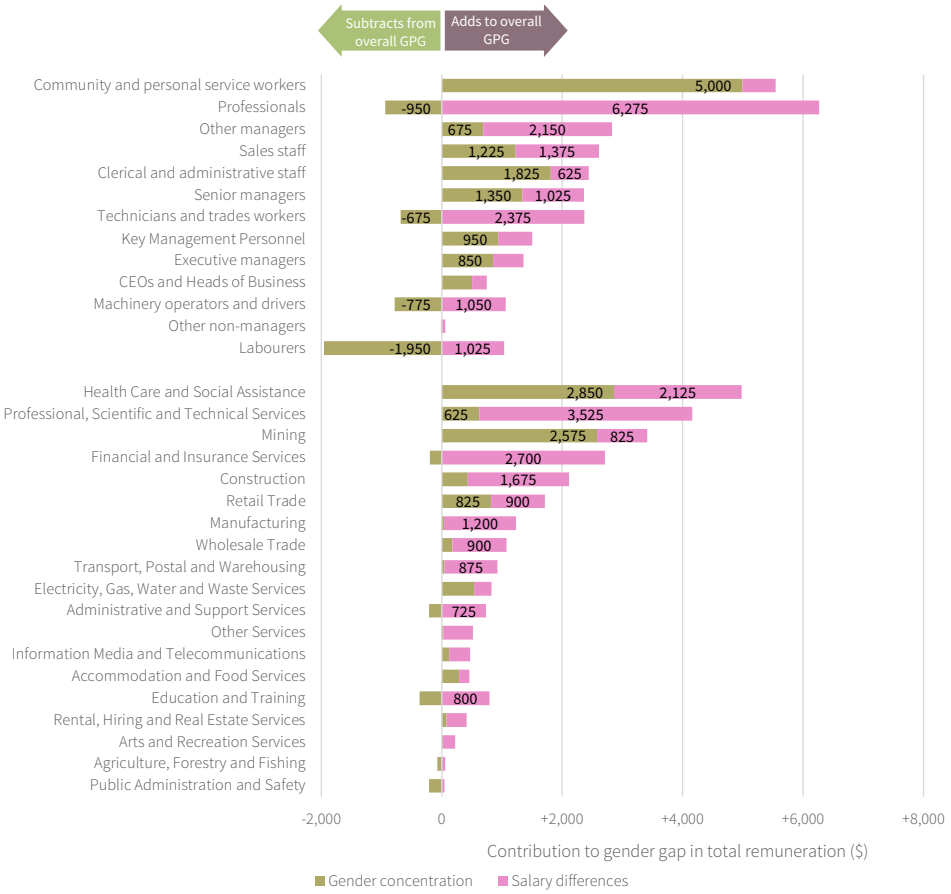
In Figure 12, we model the effects of gender concentration and salary differences for each industry and occupation on Australia's overall gender pay gap.

The analysis includes breakdowns of the industries and occupations that contribute most to the overall gender pay gap in Australia:

- the health care and social assistance sector adds $4,975 or 19 per cent to the national gender pay gap
- the professional scientific and technical services sector adds $4,150 (16%)
- the mining industry adds $3,425 (13%)
- the finance and insurance services sector adds $2,500 (10%), and
- the construction sector adds $2,100 (8%) to the national gender pay gap.

FIGURE 12

Industries & occupations that add most to gender pay gaps in Australia: 2020-21



Notes: Simulations are based on total remuneration. The impact of the gender concentration on the overall gender pay gap is modelled using a counterfactual in which the total workforce in an industry/occupation is equally balanced between women and men. The impact of salary differences is modelled by equalising salaries between women and men to the industry/occupation average salary.

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality data 2020-21.

Salary differences in the professional, scientific and technical services sector add $3,525 (14%) to the national gender pay gap, and the finance and insurance services sector add $2,700 (10%) to the overall pay gap.

The concentration of women in health care and social assistance adds $2,850 (11%), and the concentration of men in mining adds $2,575 to the national gender pay gap.

Figure 12 also shows the contributions that occupations make to the national pay gap. Community and personal services occupations add $5,500 (22%) to the national gender pay gap, almost entirely because of the high concentration of women in the workforce.

Salary differences in professional occupations are responsible for $6,275 (24%) of the national gender pay gap, and $2,375 (9%) for technicians and trades workers.

It may seem unusual to see the labourer category act to *reduce* the national pay gap, but since salaries for labourers are relatively low, the higher share of men (around 65 per cent of all labourers) would mean that balancing the share of women and men would actually *increase* gender pay inequality.

TABLE 3

Areas with top 10 largest gender pay gaps in Australia: 2020-21

Rank	SA3 area	State	Remoteness	Gender pay gap (%)		Top 3 large employing industries		
				Total salary	Base salary	1st	2nd	3rd
1	Daly - Tiwi - West Arnhem	NT	Outer Regional	52.5	41.8	Mining	Education and Training	Transport, Postal and Warehousing
2	Darling Downs (West) - Maranoa	QLD	Outer Regional	49.0	42.0	Mining	Health Care and Social Assistance	Professional, Scientific and Technical Services
3	Lithgow - Mudgee	NSW	Inner Regional	47.5	41.6	Mining	Professional, Scientific and Technical Services	Health Care and Social Assistance
4	Latrobe Valley	VIC	Inner Regional	44.9	36.8	Health Care and Social Assistance	Professional, Scientific and Technical Services	Electricity, Gas, Water and Waste Services
5	Central Highlands (Qld)	QLD	Outer Regional	42.7	38.2	Mining	Health Care and Social Assistance	Education and Training
6	Lower Hunter	NSW	Inner Regional	41.3	37.7	Mining	Health Care and Social Assistance	Administrative and Support Services
7	Moree - Narrabri	NSW	Outer Regional	40.4	38.2	Health Care and Social Assistance	Mining	Education and Training
8	Rockingham	WA	Metro area	40.0	34.6	Health Care and Social Assistance	Mining	Retail Trade
9	Upper Hunter	NSW	Inner Regional	39.8	36.8	Mining	Electricity, Gas, Water and Waste Services	Manufacturing
10	Lachlan Valley	NSW	Outer Regional	39.7	37.0	Mining	Health Care and Social Assistance	Other Services

Notes: Public administration and safety does not include government organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

Based on the postcode data in the most recent WGEA data collection, Table 3 lists the regions of the country with the largest gender pay gaps in total remuneration among organisations that report to WGEA.[6]

Seven of the top 10 localities for gender pay gaps feature mining as the top employing industry, five are in New South Wales and nine are in regional areas of the country.

The locality with the largest gender pay gap in the country, at 52.5 per cent, is the area surrounding Darwin, comprising the Daly Region, the Tiwi Islands and West Arnhem.

The expansion of mining in Queensland's Maranoa region has lifted the gender pay gap to the second in the country, at 49 per cent.[7]

The Lithgow and Mudgee locality in New South Wales has the third largest gender pay gap, at 47.5 per cent, with mining and professional, scientific and technical services organisations among the top employers.

6 The SA3 Australian Standard Geographical Classification (ASGC) from the Australian Bureau of Statistics (ABS) is used for all local area analysis in this report.

7 Much of the employment in Queensland's Maranoa and Darling Downs region comes from smaller agriculture businesses, but mining is the biggest employing industry among companies that report to WGEA.

NEW SOUTH WALES

Professionals and community and personal service workers contribute most to NSW's overall $28,330 (23.7 per cent) gender pay gap, but for very different reasons.

Salary differences for professionals add $6,675 to the state's gender pay gap, nearly a quarter of the total salary gap.

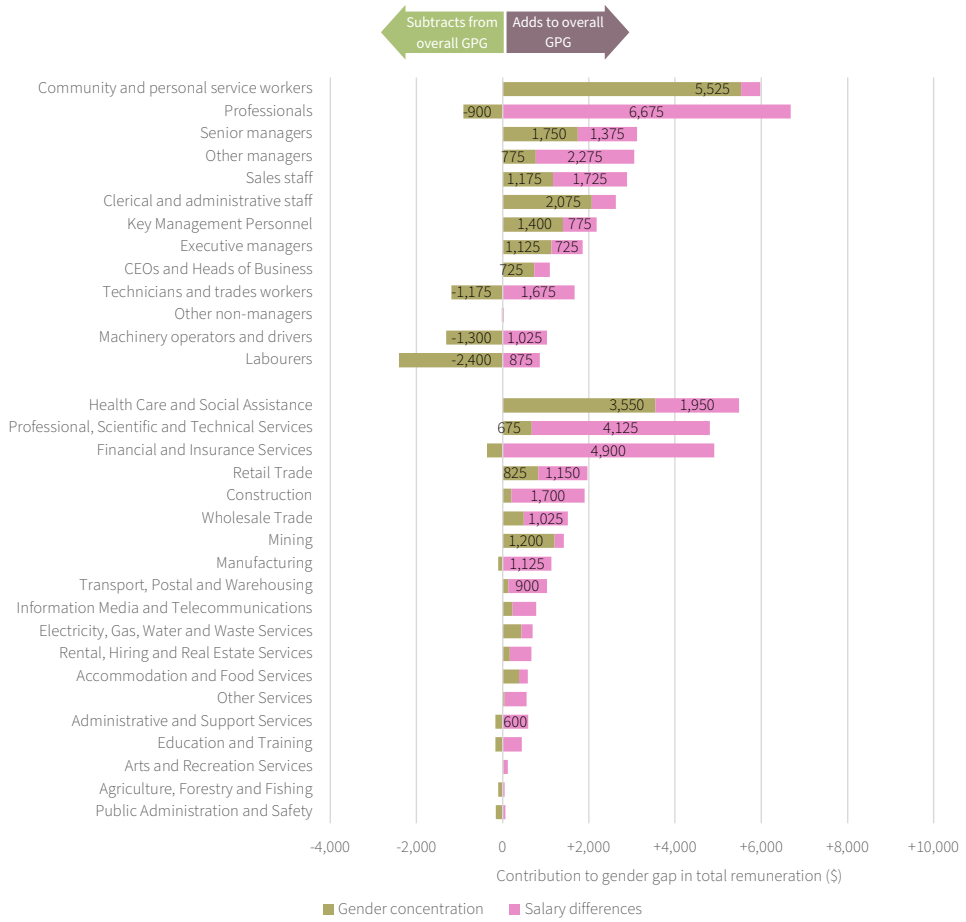
The community and personal service occupation adds around $6,000 to NSW's gender pay gap (21 per cent of the aggregate salary gap), even though the average salary difference between women and men for this occupation is negligible. This is because women make up nearly three quarters (73%) of community and personal service workers in NSW, and their salaries are relatively low compared to other occupations.

Around 60 per cent of NSW's labourers are men, and the lower average salaries for labourers compared to other occupations serve to *reduce* the state's pay gap by $2,400.

Women make up nearly three quarters of community and personal service workers in NSW, and their salaries are relatively low compared to other occupations.

FIGURE 13

Industries and occupations that add most to gender pay gaps in New South Wales: 2020-21



Notes: Simulations are based on total remuneration. The impact of the gender concentration on the overall state/territory gender pay gap is modelled using a counterfactual in which the total workforce in an industry/occupation is equally balanced between women and men. The impact of salary differences is modelled by equalising salaries between women and men to the industry/occupation average salary.

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality data 2020-21.

The inner regional area of Lithgow-Mudgee has the largest gender pay gap in NSW, at 47.5 per cent, mostly from the male-dominated mining sector.

Salary differences between women and men in the financial and insurance services sector add $4,900 (17%) to the overall gender pay gap in NSW.

The same is true for professional, scientific and technical services, with salary differences adding $4,125 (15%) to the state's pay gap.

In common with most other states, health care and social assistance substantially increases the gender pay gap in NSW, with salary differences adding $1,950 (7%) to the pay gap and the gender concentration in the relatively low paid sector adding a further $3,550 (13%).

This is because women make up a large share of the health care and social assistance workforce , especially in the childcare, residential care and social assistance services.

The gender composition is more equal in other parts of the industry.

Table 4 shows the NSW regions with the largest gender wage gap, and the top three employing industries in each area.

The inner regional area of Lithgow-Mudgee has the largest gender pay gap in NSW, at 47.5 per cent, mostly from the male-dominated mining sector.

The Lower and Upper Hunter Valley rank second and third for gender pay gaps across NSW regions, with mining organisations again prominent among those employing organisations that report to WGEA.

Even though the average salary difference between men and women in mining is not that wide, the fact that many more men than women work in this high-paying industry adds to the gender pay gaps in these localities.

The metro areas of Botany, Manly and North Sydney have some of the highest pay gaps in NSW, with the largest share of employees working in either professional scientific and technical services or health care and social assistance.

TABLE 4

Top 10 gender pay gaps from large employing organisations in New South Wales: 2020-21

Rank	SA3 area	State	Remoteness	Gender pay gap (%)		Top 3 large employing industries		
				Total salary	Base salary	1st	2nd	3rd
1	Lithgow - Mudgee	NSW	Inner Regional	47.5	41.6	Mining	Professional, Scientific and Technical Services	Health Care and Social Assistance
2	Lower Hunter	NSW	Inner Regional	41.3	37.7	Mining	Health Care and Social Assistance	Administrative and Support Services
3	Upper Hunter	NSW	Inner Regional	39.8	36.8	Mining	Electricity, Gas, Water and Waste Services	Manufacturing
4	Lachlan Valley	NSW	Outer Regional	39.7	37.0	Mining	Health Care and Social Assistance	Other Services
5	Manly	NSW	Metro area	37.4	30.8	Health Care and Social Assistance	Education and Training	Professional, Scientific and Technical Services
6	Orange	NSW	Inner Regional	30.9	30.6	Mining	Health Care and Social Assistance	Other Services
7	Botany	NSW	Metro area	29.8	28.6	Transport, Postal and Warehousing	Retail Trade	Administrative and Support Services
8	Port Stephens	NSW	Metro area	29.3	28.9	Health Care and Social Assistance	Manufacturing	Accommodation and Food Services
9	North Sydney - Mosman	NSW	Metro area	28.9	23.2	Professional, Scientific and Technical Services	Financial and Insurance Services	Health Care and Social Assistance
10	Bathurst	NSW	Inner Regional	28.9	25.7	Health Care and Social Assistance	Retail Trade	Manufacturing

Notes: Gender pay gaps are based on total remuneration. Public administration excludes government organisations.
Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

VICTORIA

The largest contributions to Victoria's $24,750 (22.0 per cent) gender pay gap come from the professional, scientific and technical services industry sector, and from professional occupations more generally (Figure 14).

Salary differences between women and men in professional occupations in Victoria adds $5,925 (24%) to the state's gender pay gap. However, this occupation is relatively gender-balanced – the share of women is around 54 per cent – which is why gender concentration adds very little to the state's overall pay gap.

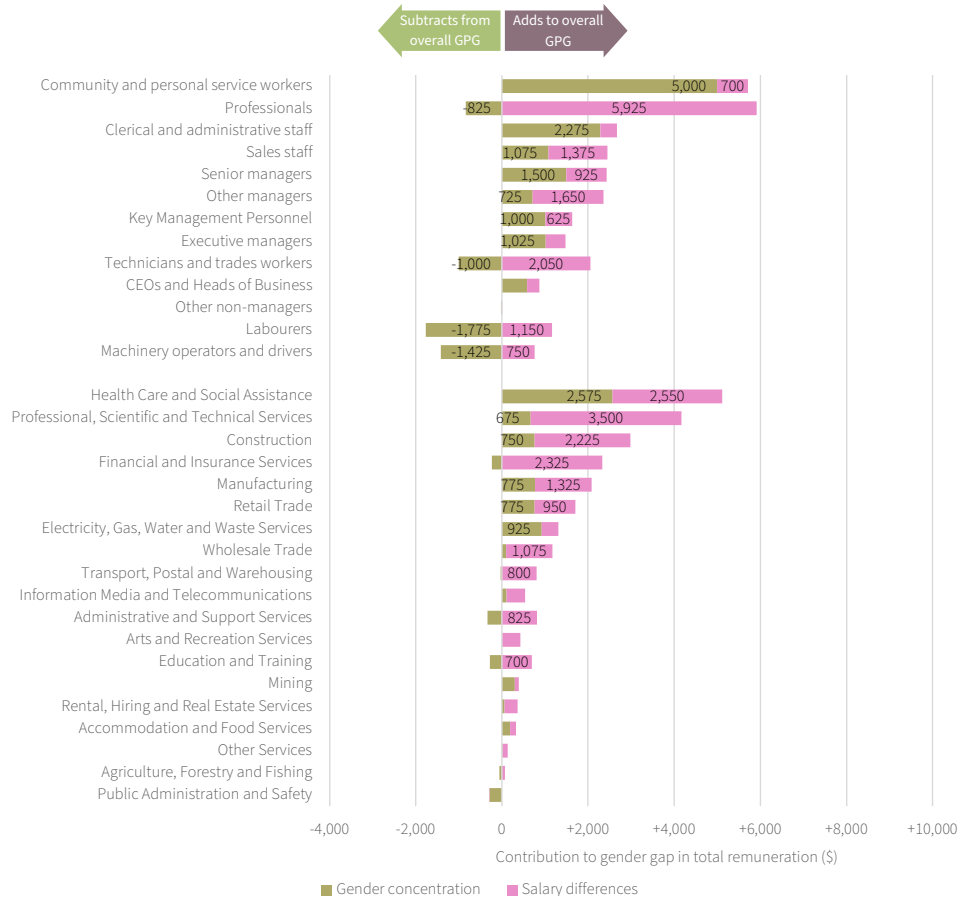
But women do make up around 70 per cent of community and personal services workers in Victoria. This gender imbalance, combined with average salaries that are much lower than other occupations, adds $5,700 (23%) to Victoria's overall gender pay gap.

The labourers occupation again acts to mitigate the aggregate gender pay gap. With more men than women, the employment and pay of labourers in Victoria collectively reduce the state's pay gap by $1,775.

Salary differences between women and men in professional occupations in Victoria adds $5,925 (24%) to the state's gender pay gap.

FIGURE 14

Industries and occupations that add most to gender pay gaps in Victoria: 2020-21



Notes: As for Figure 13.

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality data 2020-21.

The health care and social assistance sector is responsible for $5,125 (21%) of the gender pay gap in Victoria, with an even split of contributions from salary differences (adding $2,550) and the gender concentration in this female-dominated sector (adding $2,575).

The differences in remuneration between men and women is responsible for most of the construction sector's contribution to Victoria's gender pay gap, and importantly, the divergence in salaries starts from a very young age.

Women make up 31 per cent of the construction sector's workforce in Victoria, which explains why the sector adds $2,975 to Victoria's gender pay gap.

The 10 regions of Victoria with the highest gender pay gaps are listed, along with the largest employing industries in each locality.

Latrobe Valley holds the largest gender pay gap in Victoria, at 44.9 per cent among employees of organisations that report to WGEA (Table 5).

Tullamarine-Broadmeadows is ranked second, with a gender pay gap of 31.8 per cent, and the outer regional area of Glenelg-South Grampians is ranked third, at 30.0 per cent.

Most of Victoria's top 10 regions have a larger representation of workers in health care and social assistance, education and training, administrative support services and retail.

Manufacturing and transport may be contributing to the higher gender pay gap in the metropolitan areas of Tullamarine-Broadmeadows, given that women make up only 28 per cent of Victoria's manufacturing workforce and 30 per cent of workers in transport, postal and warehousing services.

Hobsons Bay in metropolitan Victoria features among the state's top 10 regions for gender pay gaps, due both to salary differences and gender concentrations in manufacturing and health care services.

TABLE 5

Top 10 gender pay gaps from large employing organisations in Victoria: 2020-21

Rank	SA3 area	State	Remoteness	Gender pay gap (%)		Top 3 large employing industries		
				Total salary	Base salary	1st	2nd	3rd
1	Latrobe Valley	VIC	Inner Regional	44.9	36.8	Health Care and Social Assistance	Professional, Scientific and Technical Services	Electricity, Gas, Water and Waste Services
2	Tullamarine - Broadmeadows	VIC	Metro area	31.8	29.9	Transport, Postal and Warehousing	Manufacturing	Administrative and Support Services
3	Glenelg - Southern Grampians	VIC	Outer Regional	30.8	26.5	Manufacturing	Health Care and Social Assistance	Retail Trade
4	Keilor	VIC	Metro area	29.5	27.9	Retail Trade	Health Care and Social Assistance	Administrative and Support Services
5	Hobsons Bay	VIC	Metro area	28.1	23.8	Manufacturing	Health Care and Social Assistance	Wholesale Trade
6	Bayside	VIC	Metro area	27.2	23.1	Health Care and Social Assistance	Education and Training	Professional, Scientific and Technical Services
7	Surf Coast - Bellarine Peninsula	VIC	Inner Regional	26.1	19.4	Health Care and Social Assistance	Accommodation and Food Services	Education and Training
8	Boroondara	VIC	Metro area	25.7	22.2	Health Care and Social Assistance	Education and Training	Administrative and Support Services
9	Stonnington - East	VIC	Metro area	24.6	20.4	Health Care and Social Assistance	Retail Trade	Administrative and Support Services
10	Nillumbik - Kinglake	VIC	Metro area	24.2	21.3	Health Care and Social Assistance	Education and Training	Administrative and Support Services

Notes: Gender pay gaps are based on total remuneration. Public administration excludes government organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

QUEENSLAND

Queensland's gender pay gap in total remuneration is estimated at 22.5 per cent, or $24,100, and Figure 15 provides breakdowns of which industries and occupations contribute most to this gap.

The mining sector adds $4,400 to the state's pay gap - the largest of all industries - but the sector accounts for only 18 per cent of the overall dollar gap, which is much lower than other mining-intensive jurisdictions.

The professional, scientific and technical services sector and the health care and social assistance sector together account for $7,500 (31%) of Queensland's gender pay gap.

For the former sector, this is due mainly to salary differences between women and men.

In the case of health care and social assistance, salary differences and gender concentrations increase the state's pay gap in more or less equal measure.

FIGURE 15

Industries and occupations that add most to gender pay gaps in Queensland: 2020-21

Notes: As for Figure 13.

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality data 2020-21.

Most of the regions of Queensland with the highest gender pay gap have mining and health care and social assistance among the main employing industries.

Salary differences between women and men in professional occupations add almost $5,625 (23%) to Queensland's overall gender pay gap - by far the largest contributor of any occupation.

The mitigating effect of labouring occupations stands out again for Queensland, with gender concentration subtracting $1,900 from the pay gap.

The high representation of women among community and personal service workers contributes $3,900 (16%) to the state's gender pay gap. The same is true for clerical and administration staff, and sales staff, but both to a lesser extent.

Remuneration is relatively low in each case, which explains why these three occupations add to the gender pay gap in Queensland.

Inner and outer regional areas dominate the rankings of the highest gender pay gaps in Queensland (Table 6).

The outer regional area of Queensland covering West Darling Downs and Maranoa ranks number one with a gender pay gap close to 50 per cent.

The Central Highlands comes second at 42.7 per cent, and the north Bowen Basin ranks third with a pay gap of 36 per cent.

Most of the regions of Queensland with the highest gender pay gap have mining and health care and social assistance among the main employing industries.

Manufacturing is strong in other areas listed in Table 6, including Gladstone, Darling Downs East and Nundah.

Employers in these industry sectors are likely to be pushing local gender pay gaps higher.

Mining is relatively male-dominated, and highly remunerated as a sector, while organisations in health care and social assistance are more likely to employ women, but pay salaries that are lower on average than most other industry sectors.

The metropolitan areas of Nundag and Brisbane Inner also rank in Queensland's top 10 areas for gender pay differences.

For Brisbane Inner, the gender pay gap in total remuneration is close to 27 per cent, with the largest employers operating in finance and insurance services, and the professional, scientific and technical services sector.

TABLE 6

Top 10 gender pay gaps from large employing organisations in Queensland: 2020-21

Rank	SA3 area	State	Remoteness	Gender pay gap (%)		Top 3 large employing industries		
				Total salary	Base salary	1st	2nd	3rd
1	Darling Downs (West) - Maranoa	QLD	Outer Regional	49.0	42.0	Mining	Health Care and Social Assistance	Professional, Scientific and Technical Services
2	Central Highlands (Qld)	QLD	Outer Regional	42.7	38.2	Mining	Health Care and Social Assistance	Education and Training
3	Bowen Basin - North	QLD	Outer Regional	36.0	25.0	Mining	Administrative and Support Services	Construction
4	Biloela	QLD	Outer Regional	35.7	29.7	Mining	Administrative and Support Services	Education and Training
5	Gladstone	QLD	Inner Regional	32.4	27.9	Manufacturing	Mining	Construction
6	Outback - North	QLD	Remote	31.1	29.9	Mining	Administrative and Support Services	Manufacturing
7	Mackay	QLD	Inner Regional	29.9	25.5	Other Services	Manufacturing	Education and Training
8	Darling Downs - East	QLD	Inner Regional	29.4	26.3	Manufacturing	Health Care and Social Assistance	Mining
9	Nundah	QLD	Metro area	26.9	25.8	Transport, Postal and Warehousing	Manufacturing	Health Care and Social Assistance
10	Brisbane Inner	QLD	Metro area	26.6	23.7	Professional, Scientific and Technical Services	Financial and Insurance Services	Administrative and Support Services

Notes: Gender pay gaps are based on total remuneration. Public administration excludes government organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

SOUTH AUSTRALIA

South Australia has the second lowest gender pay gap of any state and territory after Tasmania, a difference of $16,400 or 17.4 per cent in the average total remuneration between men and women.

The state follows a similar pattern to most other jurisdictions regarding the occupations that contribute most to its gender pay gap.

Salary differences in South Australia's professional occupations account for more than a quarter of the state's overall gender pay gap, at $4,225 (26%).

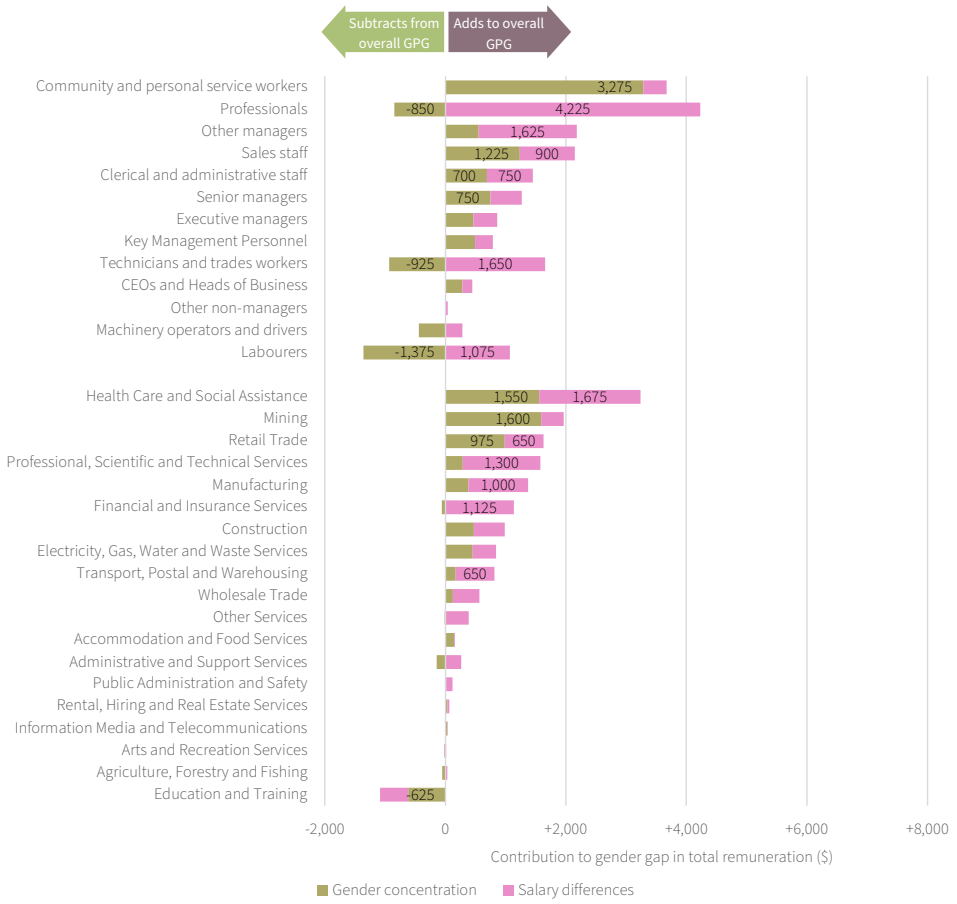
However, women make up 60 per cent of all professionals in South Australia and this mitigates the effect on the state's gender pay gap by $850.

Community and personal service workers account for $3,675 (22%) of South Australia's gender pay gap. The share contribution of this category is much the same compared to other states and territories, even if the contribution is lower than most jurisdictions in absolute dollar terms.

South Australia has the second lowest gender pay gap of any state and territory after Tasmania.

FIGURE 16

Industries and occupations that add most to gender pay gaps in South Australia: 2020-21



Notes: As for Figure 13.

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality data 2020-21.

The health care and social assistance sector adds most to the overall gender pay gap in South Australia.

Technicians and trades workers and the 'other managers' category each add just over $1,600 (10%) to South Australia's gender pay gap due to salary differences in the two occupations.

The health care and social assistance sector adds most to the overall gender pay gap in South Australia by a combined $3,225 from gender concentration and salary differences.

This represents 23 per cent of the state's aggregate pay gap, and stems from a combination of factors, including the high salaries of doctors and general practitioners, and the lower pay for female-concentrated workforces in child care services, residential care services, allied health and other social assistance services.

The mining industry contributes just under $2,000 towards the overall gender pay gap, because men account for 81 per cent of those employed in South Australia by mining organisations that report to WGEA.

Gender pay gaps across South Australia's regions are generally lower than those in most other jurisdictions. Six of the top 10 gender pay gaps in South Australia are located in metropolitan areas and four are in outer regional locations.

These regions are almost all dominated by employment in either the manufacturing sector or in health care and social assistance, which reflects the state's broader industry strengths and emerging priorities.

The outer regional area covering the Eyre Peninsula and South West regions of South Australia has the highest gender pay gap, at 27.9 per cent, followed closely by Port Adelaide West at 26.7 per cent.

The role of manufacturing is significant. Manufacturing contributes to gender pay disparities in most of the regions listed in Table 7 because of salary differences between men and women.

Even though three quarters of those who work in South Australia's manufacturing sector are men, it is the gender gap in salaries between men and women that bears most of the responsibility for this disparity.

TABLE 7

Top 10 gender pay gaps from large employing organisations in South Australia: 2020-21

Rank	SA3 area	State	Remoteness	Gender pay gap (%)		Top 3 large employing industries		
				Total salary	Base salary	1st	2nd	3rd
1	Eyre Peninsula and South West	SA	Outer Regional	27.9	25.1	Manufacturing	Construction	Education and Training
2	Port Adelaide - West	SA	Metro area	26.7	22.5	Health Care and Social Assistance	Manufacturing	Transport, Postal and Warehousing
3	Adelaide City	SA	Metro area	23.7	20.5	Financial and Insurance Services	Professional, Scientific and Technical Services	Arts and Recreation Services
4	Norwood - Payneham - St Peters	SA	Metro area	21.8	16.9	Health Care and Social Assistance	Administrative and Support Services	Retail Trade
5	Salisbury	SA	Metro area	21.1	19.6	Health Care and Social Assistance	Manufacturing	Administrative and Support Services
6	Murray and Mallee	SA	Outer Regional	16.9	12.9	Manufacturing	Health Care and Social Assistance	Retail Trade
7	West Torrens	SA	Metro area	16.6	13.8	Health Care and Social Assistance	Transport, Postal and Warehousing	Other Services
8	Limestone Coast	SA	Outer Regional	15.7	11.5	Manufacturing	Health Care and Social Assistance	Retail Trade
9	Campbelltown (SA)	SA	Metro area	14.7	11.2	Health Care and Social Assistance	Education and Training	Administrative and Support Services
10	Mid North	SA	Outer Regional	14.6	6.1	Manufacturing	Health Care and Social Assistance	Retail Trade

Notes: Gender pay gaps are based on total remuneration. Public administration excludes government organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

WESTERN AUSTRALIA

Western Australia has the largest gender wage gap of any state and territory, with an average salary difference of $41,410 (32.1 per cent) in total remuneration between men and women.

The narrative often put forward is that mining is responsible for the state's high gender pay gap, and there is some truth to this.

Western Australia's mining sector contributes $14,450 to the overall gender pay gap, which is over a third of the state's total pay gap.

The high salaries in mining combine with the gender composition of the sector to create this magnitude of impact, with women making up only 19 per cent of the mining sector workforce.

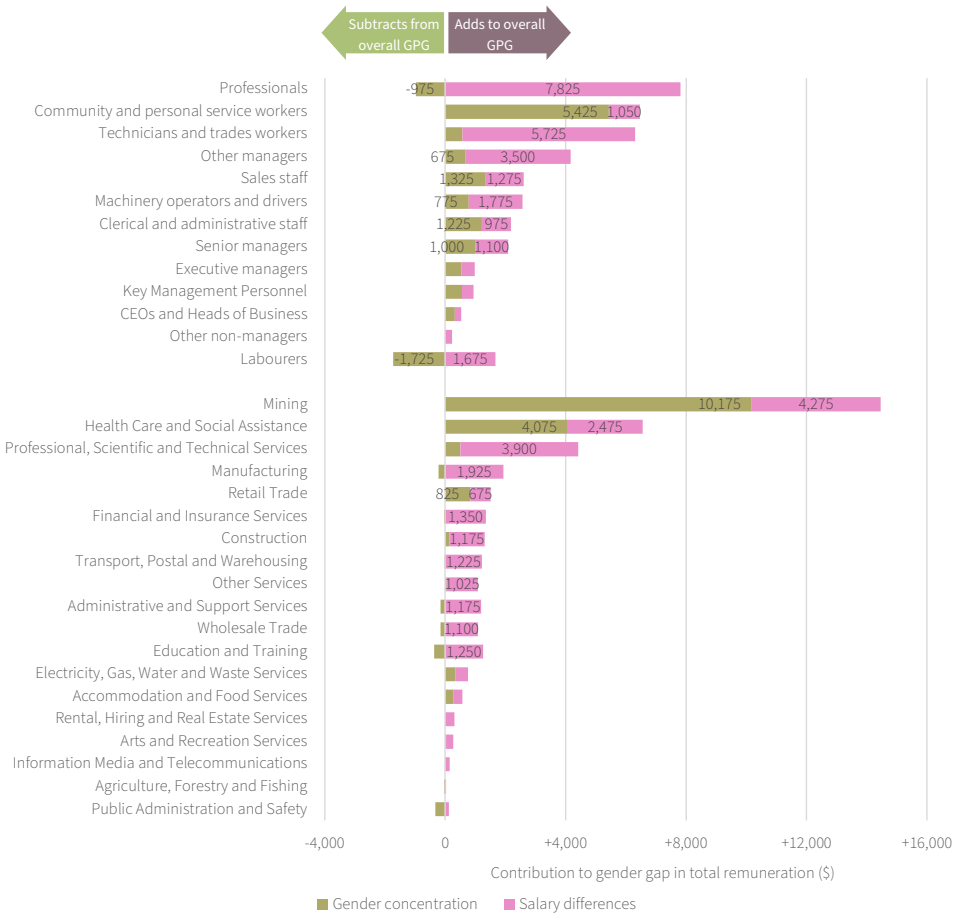
Beyond mining, the health care and social services contributes around $6,550 (16%) of the gender pay gap in Western Australia. What differs between Western Australia and other states is first the size of the health care sector's contribution, with WA's figures being much larger.

Western Australia has the largest gender wage gap of any state and territory.

The high salaries in mining combine with the gender composition of the sector to create this magnitude of impact, with women making up only 19 per cent of the mining sector workforce.

FIGURE 17

Industries and occupations that add most to gender pay gaps in Western Australia: 2020-21



Notes: As for Figure 13.

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality data 2020-21.

Industry composition in WA plays a crucial role in the state's gender pay gap.

Second, for most states, the salary differences and the gender concentration for this sector are almost equal but in the case of Western Australia, more of the gap is driven by the composition of the workforce.

This result is surprising – there should not be such a contrast in the salaries of the health care and social service sector in Western Australia compared to the rest of Australia.

Salary differences among professionals and technicians and trades workers, and gender concentration among community and personal services workers are the main influences on Western Australia's gender pay gap at an occupational level.

Rockingham has the largest gender pay gap in Western Australia at around 40 per cent, followed by the Mid West, a large mining region, at 38 per cent.

The industrial area of Kwinana mainly filled with manufacturing jobs also reaches the top three.

Most of the regions with the highest gender pay gap are from metropolitan and inner regional areas and often have a combination of health care and social assistance, mining and manufacturing workers.

It is worth noting that some of the Western Australian regions with the highest gender pay gaps have a high concentration of construction jobs. This sector employs a larger share of technicians and trade workers, which adds to the average salary differences between men and women.

Industry composition in Western Australia plays a crucial role in the state's gender pay gap. The gender segregation in mining and health care and social assistance weighs heavily on the gender pay gap and policies looking to reduce this segmentation should be encouraged.

TABLE 8

Top 10 gender pay gaps from large employing organisations in Western Australia: 2020-21

Rank	SA3 area	State	Remoteness	Gender pay gap (%)		Top 3 large employing industries		
				Total salary	Base salary	1st	2nd	3rd
1	Rockingham	WA	Metro area	40.0	34.6	Health Care and Social Assistance	Mining	Retail Trade
2	Mid West	WA	Outer Regional	37.6	32.7	Mining	Health Care and Social Assistance	Manufacturing
3	Kwinana	WA	Metro area	37.3	33.4	Manufacturing	Health Care and Social Assistance	Construction
4	South Perth	WA	Metro area	37.1	31.4	Health Care and Social Assistance	Mining	Accommodation and Food Services
5	Bunbury	WA	Inner Regional	37.0	32.1	Manufacturing	Health Care and Social Assistance	Construction
6	Wheat Belt - North	WA	Inner Regional	36.7	31.7	Mining	Health Care and Social Assistance	Administrative and Support Services
7	Mandurah	WA	Metro area	36.6	32.9	Health Care and Social Assistance	Manufacturing	Mining
8	Kalamunda	WA	Metro area	36.6	30.1	Mining	Other Services	Administrative and Support Services
9	West Pilbara	WA	Very Remote	36.6	29.9	Mining	Construction	Administrative and Support Services
10	Augusta - Margaret River - Busselton	WA	Inner Regional	35.9	25.6	Health Care and Social Assistance	Mining	Accommodation and Food Services

Notes: Public administration and safety does not include government organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

TASMANIA

Tasmania has the lowest gender wage gap in Australia, at $9,100 (10.4 per cent).

In common with NSW and Victoria, most of the contribution to Tasmania's overall gender pay gap comes from salary differences among professionals and the higher concentration of women among community and personal service workers (Figure 18).

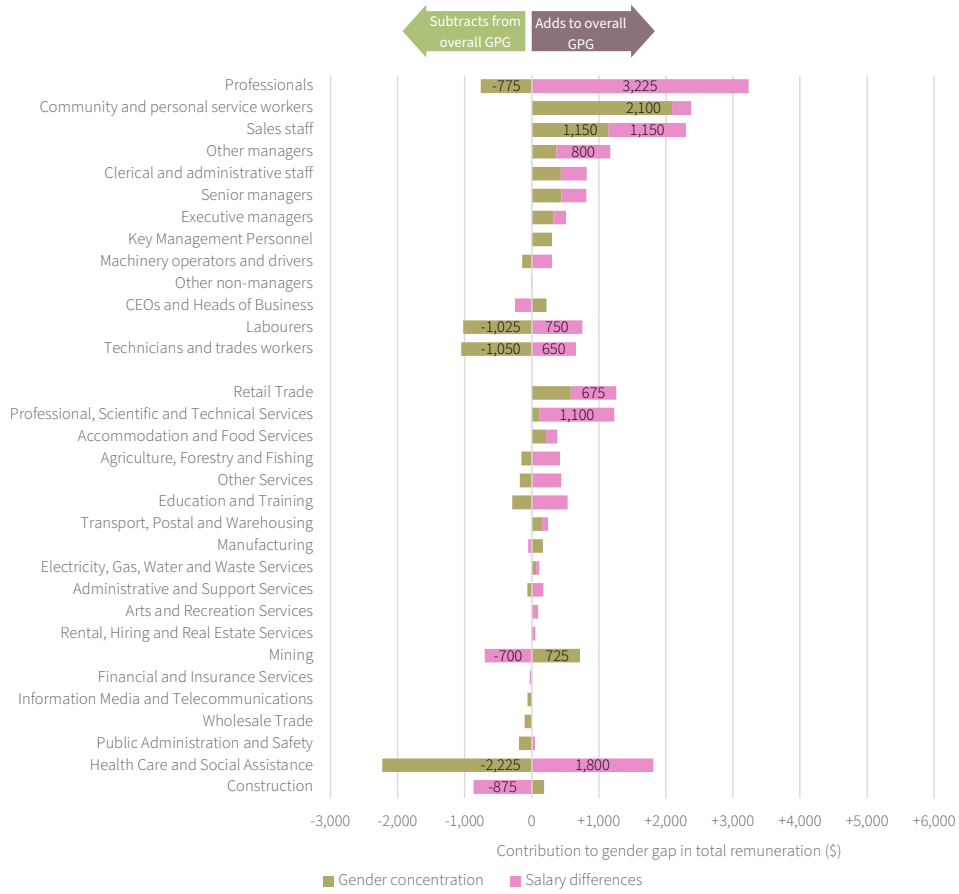
Differences in salaries and the gender composition of the sales workforce add $2,300 to Tasmania's overall gender pay gap, which is relatively unusual.

Tourism is one of the main employers on the island, and sales staff account for a larger share of the state's total workforce than other states and territories, which explains why their contribution to the overall pay gap in Tasmania is relatively high.

Tasmania has the lowest gender wage gap in Australia.

FIGURE 18

Industries and occupations that add most to gender pay gaps in Tasmania: 2020-21



Notes: As for Figure 13.

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality data 2020-21.

TABLE 9

Top 5 gender pay gaps from large employing organisations in Tasmania: 2020-21

Rank	SA3 area	State	Remoteness	Gender pay gap (%)		Top 3 large employing industries		
				Total salary	Base salary	1st	2nd	3rd
1	Hobart Inner	TAS	Inner Regional	15.2	15.6	Health Care and Social Assistance	Other Services	Retail Trade
2	Devonport	TAS	Inner Regional	12.3	14.2	Health Care and Social Assistance	Agriculture, Forestry and Fishing	Transport, Postal and Warehousing
3	Burnie - Ulverstone	TAS	Outer Regional	11.4	14.5	Manufacturing	Health Care and Social Assistance	Administrative and Support Services
4	Hobart - North East	TAS	Inner Regional	10.3	8.8	Health Care and Social Assistance	Retail Trade	Manufacturing
5	Launceston	TAS	Inner Regional	8.7	9.1	Health Care and Social Assistance	Manufacturing	Retail Trade

Notes: Public administration and safety does not include government organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

Only the top five regions of Tasmania are shown in Table 9 due to the relatively small number of SA3 areas in the state.

The highest gender pay gap is in Hobart's inner region, with a total salary gender pay gap of 15 per cent.

Devonport ranks second and Burnie and Ulverstone third with gender pay gaps of 12 per cent and 11 per cent respectively.

The largest employing industries in the regions with the highest gender pay gap are health care and social assistance, manufacturing and retail trade.

The latter is characterised by differences in remuneration between men and women as well as significant differences in the composition of the labour force.

NORTHERN TERRITORY

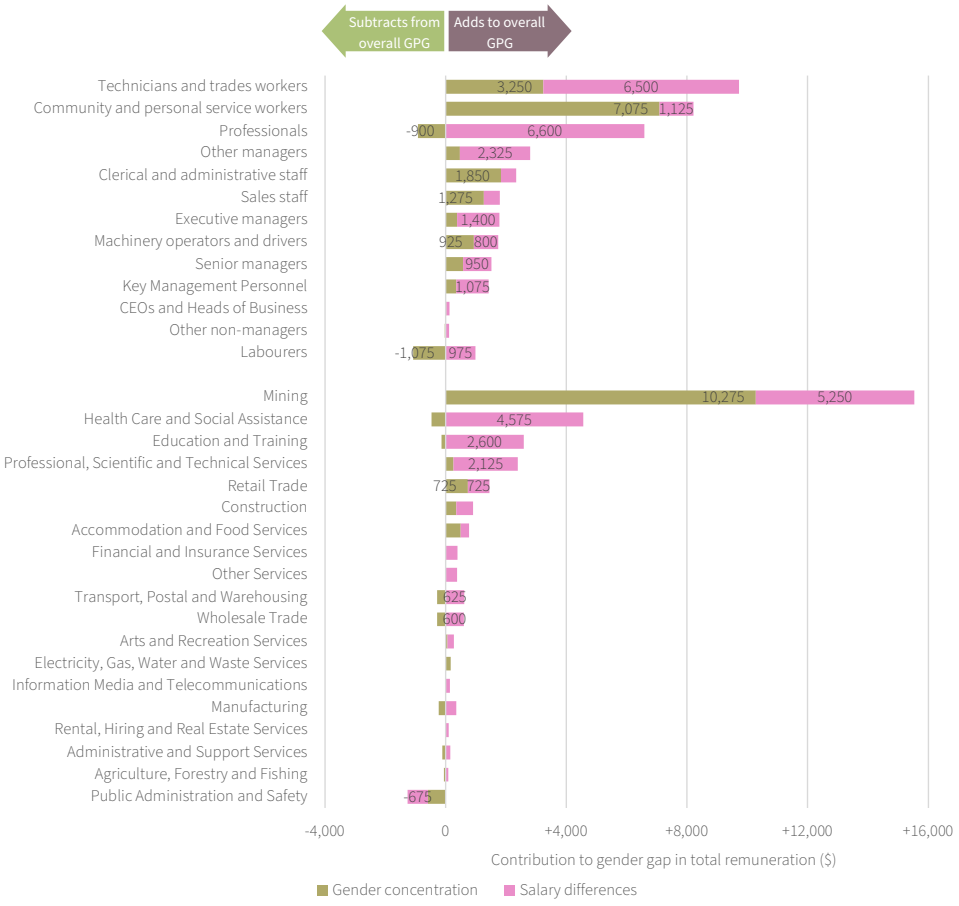
The Northern Territory has the second highest gender pay gap in Australia behind Western Australia, at $28,850 (25.3 per cent), and like Western Australia, much of the overall pay gap between women and men is influenced by the strength of the resources sector.

The mining industry adds around $15,525 to the state's gender pay gap (Figure 19), which is around 54 per cent of the total gap. Two thirds of this difference stems from the greater concentration of men in the mining sector, with one third attributable to salary differences between women and men.

The contribution that the health care and social assistance sector makes to the overall gender pay gap in the Northern Territory is far more related to salary differences between women and men in the sector (which adds $4,575) and less to do with gender concentration.

FIGURE 19

Industries and occupations that add most to gender pay gaps in Northern Territory: 2020-21



Notes: As for Figure 13.

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality data 2020-21.

Each of the Northern Territory's top 5 regions for gender pay gaps is in an outer regional or remote area of the state, and mining is the dominant common factor.

Among occupational categories, technicians and trades workers add $9,750 to the gender pay gap in the Northern Territory, because around a third of the territory's mining sector workforce are employed in this occupation, and 95 per cent are men.

Although most of the contribution to the gender pay gap from technicians and trades occupations ($6,500) stems from this high concentration of men, it's also the case that men are paid substantially more than women, around 23 per cent more on average.

Each of the Northern Territory's top 5 regions for gender pay gaps is in an outer regional or remote area of the state, and mining is the dominant common factor. (Table 10)

The area surrounding Darwin, comprising the Daly Region, the Tiwi Islands and West Arnhem has the largest gender pay gap in the country, at 52.5 per cent.

East Arnhem and Alice Springs are ranked second and third in relation to the size of the gender pay gaps among employees that work in each region, at 26.6 per cent and 26 per cent respectively.

Located 320 kilometres southeast of Darwin, the remote town of Katherine has a gender pay gap of 24.4 per cent. Tourism features alongside mining as the strongest industry sectors in Katherine, as is also the case for Alice Springs.

TABLE 10

Top 5 gender pay gaps from large employing organisations in Northern Territory: 2020-21

Rank	SA3 area	State	Remoteness	Gender pay gap (%)		Top 3 large employing industries		
				Total salary	Base salary	1st	2nd	3rd
1	Daly - Tiwi - West Arnhem	NT	Outer Regional	52.5	41.8	Mining	Education and Training	Transport, Postal and Warehousing
2	East Arnhem	NT	Very Remote	26.6	20.0	Mining	Health Care and Social Assistance	Construction
3	Alice Springs	NT	Remote	26.0	21.8	Mining	Accommodation and Food Services	Health Care and Social Assistance
4	Katherine	NT	Remote	24.4	22.3	Mining	Health Care and Social Assistance	Education and Training
5	Darwin Suburbs	NT	Outer Regional	23.8	13.1	Education and Training	Health Care and Social Assistance	Retail Trade

Note:s Public administration and safety does not include government organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

AUSTRALIAN CAPITAL TERRITORY

The Australian Capital Territory, especially Australia's capital city of Canberra, is home to a large public sector workforce. However, the analysis in this report looks at data from private sector reporting organisations, given that the WGEA collection does not yet include data on the public sector workforce.[8]

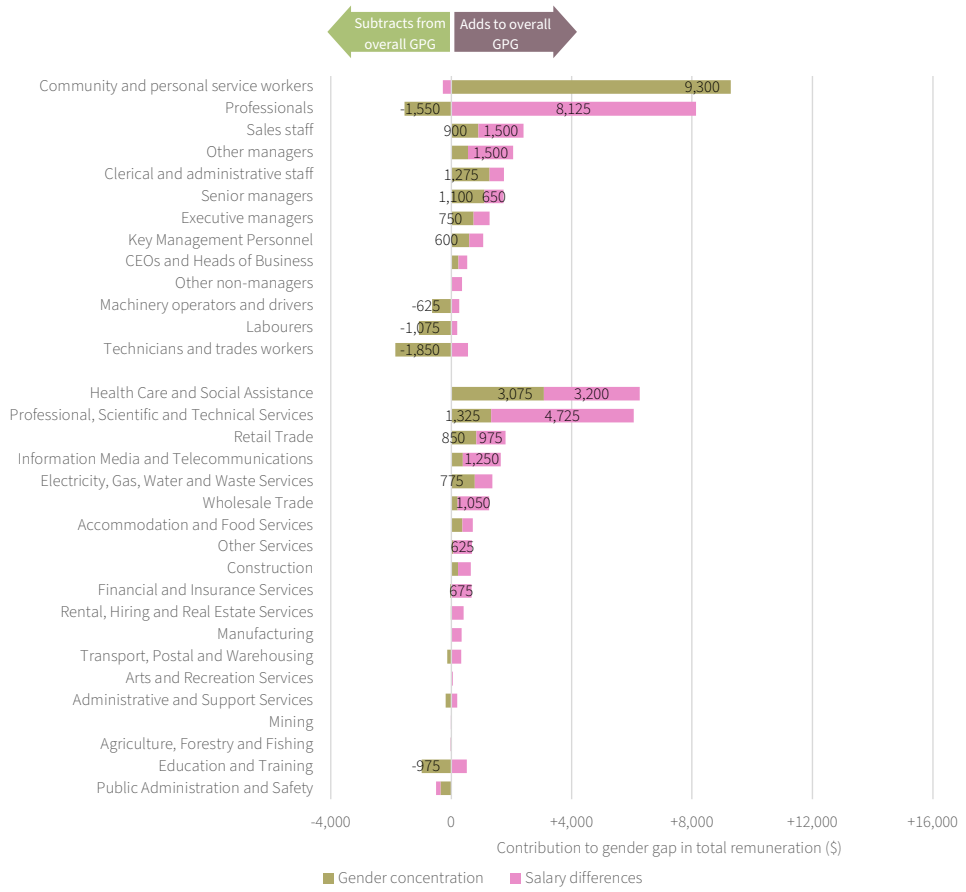
Health care and social assistance accounts for around one third of the ACT's $20,050 (17.9 per cent) private sector pay gap (Figure 20), from an even mix of gender concentration and salary differences.

Salary differences between women and men ($4,725 on average) make up the greater part of the contribution that the professional, scientific and technical services sector makes to the gender pay gap in the ACT.

The Australian Capital Territory, especially Australia's capital city of Canberra, is home to a large public sector workforce.

FIGURE 20

Industries and occupations that add most to gender pay gaps in the ACT: 2020-21



Notes: As for Figure 13.

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality data 2020-21.

8 There is a commitment to include public sector data in future reporting to the Workplace Gender Equality Agency, with the Commonwealth Government having already announced it will start reporting to WGEA from 2022-23.

Nearly two thirds of the private sector community and personal services workforce in the ACT are women, and the $9,300 contribution to the territory's gender pay gap stems from this gender concentration combined with the relatively low average salaries compared to other occupations.

Professional salary differences add $8,125 to the ACT's pay gap, but this contribution is offset to some degree by the effects of gender concentration, with women making up 56 per cent of workers in professional occupations.

North Canberra has the territory's largest private sector gender pay gap, at 27.8 per cent in total remuneration (Table 11).

The Inner North area of Canberra covers Civic, the Australian National University and University of Canberra, the CSIRO and three hospitals.

This shows in the top three industries for private sector employment in the North Canberra region, with salary differences among research and science professionals offering some insights into the reason for the area's gender pay gap.

South Canberra and Tuggeranong are ranked second and third among the ACT's regions for gender pay differences, with health care, education and training, and professional, scientific and technical services featuring among the stronger industry sectors.

TABLE 11

Top 5 gender pay gaps from large employers in the Australian Capital Territory: 2020-21

Rank	SA3 area	State	Remoteness	Gender pay gap (%)		Top 3 large employing industries		
				Total salary	Base salary	1st	2nd	3rd
1	North Canberra	ACT	Metro area	27.8	24.1	Professional, Scientific and Technical Services	Health Care and Social Assistance	Accommodation and Food Services
2	South Canberra	ACT	Metro area	20.4	16.5	Professional, Scientific and Technical Services	Health Care and Social Assistance	Education and Training
3	Tuggeranong	ACT	Metro area	18.8	16.9	Health Care and Social Assistance	Education and Training	Administrative and Support Services
4	Woden Valley	ACT	Metro area	18.3	16.7	Health Care and Social Assistance	Administrative and Support Services	Education and Training
5	Canberra East	ACT	Metro area	17.2	13.6	Professional, Scientific and Technical Services	Retail Trade	Transport, Postal and Warehousing

Notes: Public administration and safety does not include government organisations.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

THE AGE OF DIVERGENCE: GENDER PAY GAPS BY AGE AND INDUSTRY SECTOR

THE AGE OF DIVERGENCE: GENDER PAY GAPS BY AGE AND INDUSTRY SECTOR

In this latest *BCEC|WGEA Gender Equity Insights* report, we take advantage of another important innovation in the WGEA data collection. Along with postcode information, WGEA's reporting data includes the year of birth of employees for most organisations in the data collection.

The availability of year of birth information opens up an extra dimension in our understanding of gender pay gaps in Australia.

Specifically, we are able to explore the relative pay trajectories of women and men by age, and particularly the age at which gender pay gaps start to emerge for different industry sectors and occupational levels.

HOW DO WAGES EVOLVE WITH AGE?

The first observation to note is that age-earnings profiles differ substantially between managers and non-managers (Figure 21).

For managers, we find that the gender pay gap sits at around 10 per cent before the age of 30, but rises consistently to a pay gap of 25 per cent by the age of 50, and to 30 per cent at retirement age.

The average gender pay gap for non-managers rises progressively to just over 20 per cent by the age of 50, but moderates at later ages.

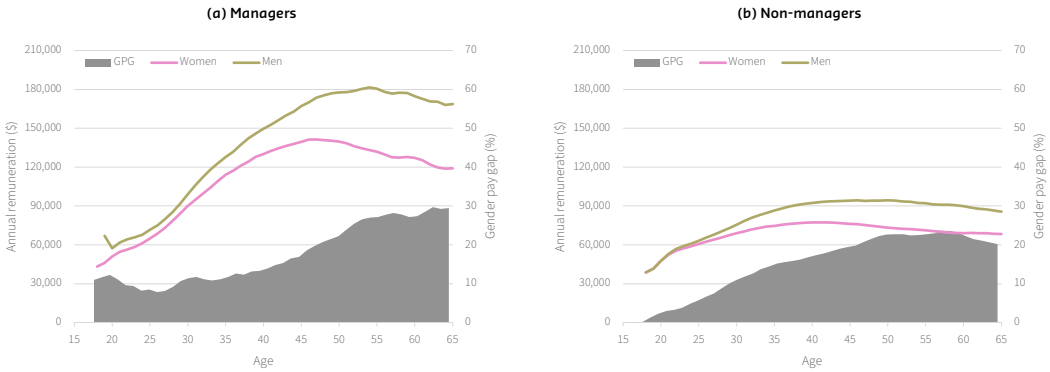
One reason for the greater gender pay gap by age for managers comes from the fact that women don't have the same access to discretionary pay as men.

Businesses should explore how bonuses, overtime pay and discretionary payments are allocated by gender within their organisations, as recommended in an earlier report in this series (Cassells and Duncan, 2016).

One reason for the greater gender pay gap by age for managers comes from the fact that women don't have the same access to discretionary pay as men.

FIGURE 21

Age-earnings profiles for Australian women and men: 2020-21



Notes: Smoothed values using 3 year moving average. Age-earnings profiles for all industries are shown in Appendix A..

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

The profile of remuneration for women and men by age also varies by industry sector.

To show this, we construct a series of age-earnings profiles for men and women working in selected industries (in Figure 22) and for the complete set of industries in the Appendix to this report.

These charts are striking in a number of respects, not least of which the different ages at which gender pay gaps emerge over the working life depending on the industry in which the employing business operates.

The comparison between construction and education is particularly instructive.

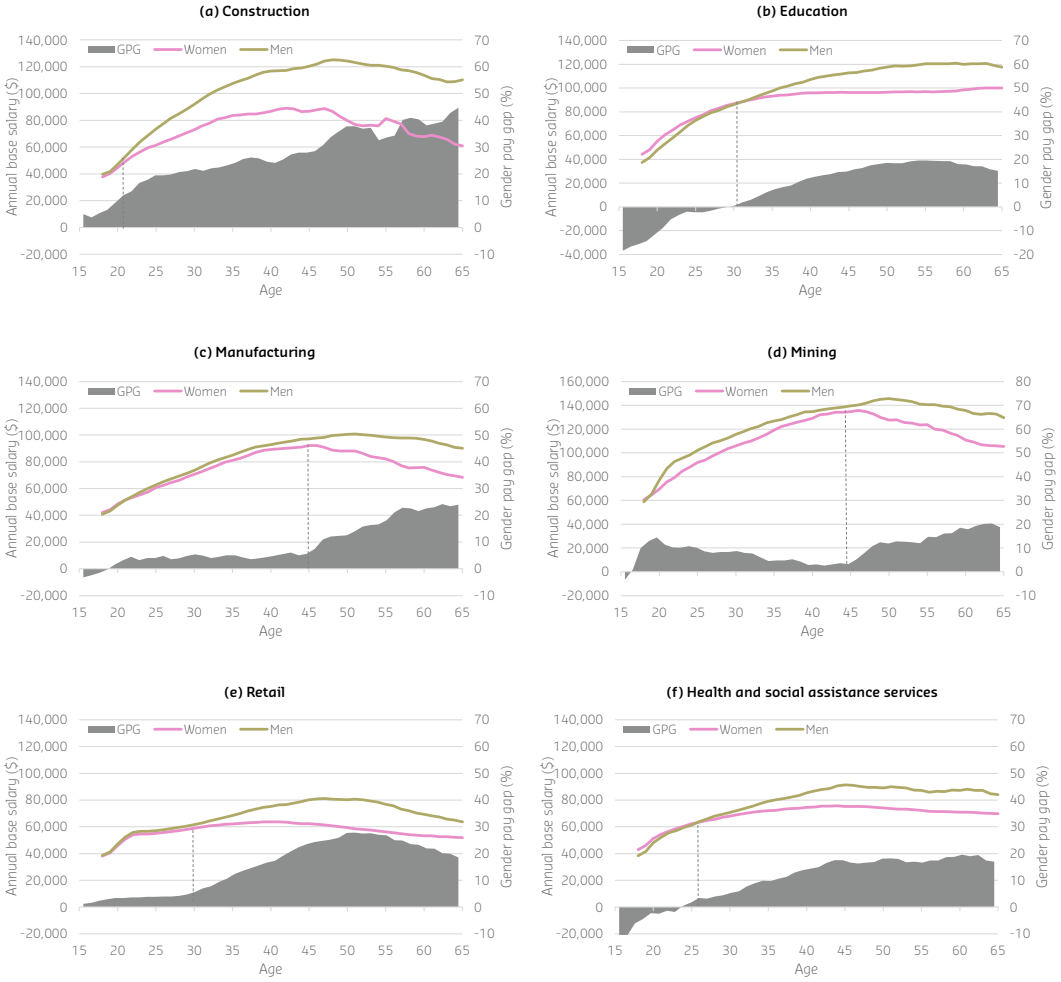
The trajectories of pay in the construction sector (Panel A of Figure 22) diverge pretty much from age 20, most likely due to occupational segregation in the industry. And the size of the construction gender pay gap rises beyond 35 per cent for workers aged over 45.

In contrast, the gender pay gap in education and training (Figure 22 Panel B) is in favour of women up to age 30 but crosses thereafter as men start to earn more on average than women, resulting in a gender pay gap that touches 20 per cent by the age of 55.

These findings open some important conversations about the value of work, and how that work is remunerated, for women and men at different ages and across industry sectors.

FIGURE 22

Age-earnings profiles by gender (selected industries): 2020-2021



Notes: Values are smoothed using 3 year moving average. Age-earnings profiles for all industry sectors are presented in Appendix A.
Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2021.

The age of divergence in mining and manufacturing (Panels C and D) happens far later. Average salaries remain relatively close between women and men up to the age of 45 but diverge at later ages. This is likely to be the result of cohort effects, with improved gender equity in pay and progression for younger workers.

Age-earnings profiles in the retail sector (Panel E) show not just a divergence of pay beyond the age of 30, but also a far flatter earnings trajectory for women than men over much of the life course.

And health care and social assistance (Panel F) mirrors the education sector in moving from a pay gap in favour of women to one that favours men in later years. This may be showing the effects of mid-career breaks for family reasons leading to ongoing impacts on women's future salaries.

These findings open some important conversations about the value of work, and how that work is remunerated, for women and men at different ages and across industry sectors.

CASE STUDY: HOW HAVE WAGES AND GENDER SEGREGATION CHANGED OVER TIME IN THE CARE SECTOR?

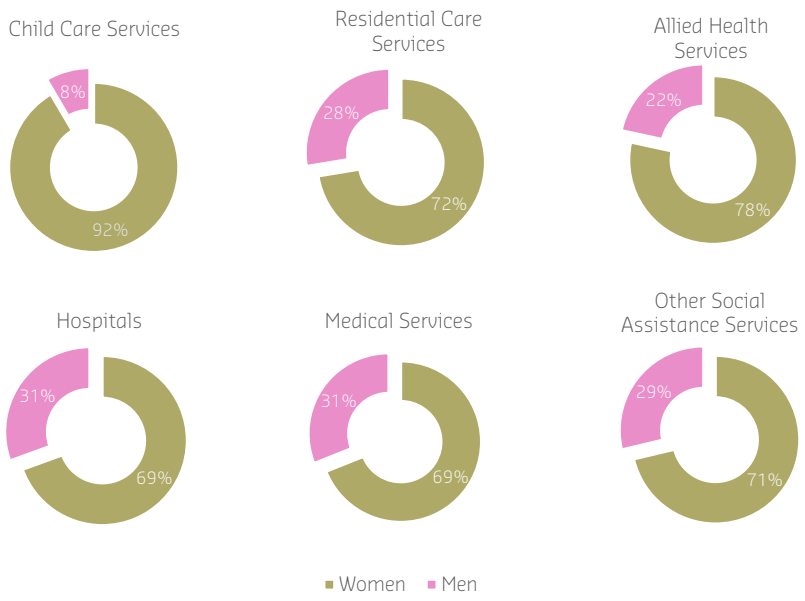
Women comprise 71 per cent of the workforce in the healthcare and social assistance sector overall. However, as Figure 23 shows, there are some important differences in the gender composition of the workforce within the sector.

Gender segregation is by far the highest in the child care services with women comprising 93 per cent of the workforce. Not only is this phenomenon likely to impact women's own labour market outcomes, such lack of gender diversity in the workforce has potential implications for the sector itself and the services it delivers.

In comparison, around the third of the workforce in hospitals, medical services, other social assistance services and residential care services are male. Males comprise just under a quarter of the workforce in allied health services.

Gender segregation is by far the highest in the child care services with women comprising 93 per cent of the workforce.

FIGURE 23
Shares of women in health care and social assistance sub-divisions: by gender, 2020-21

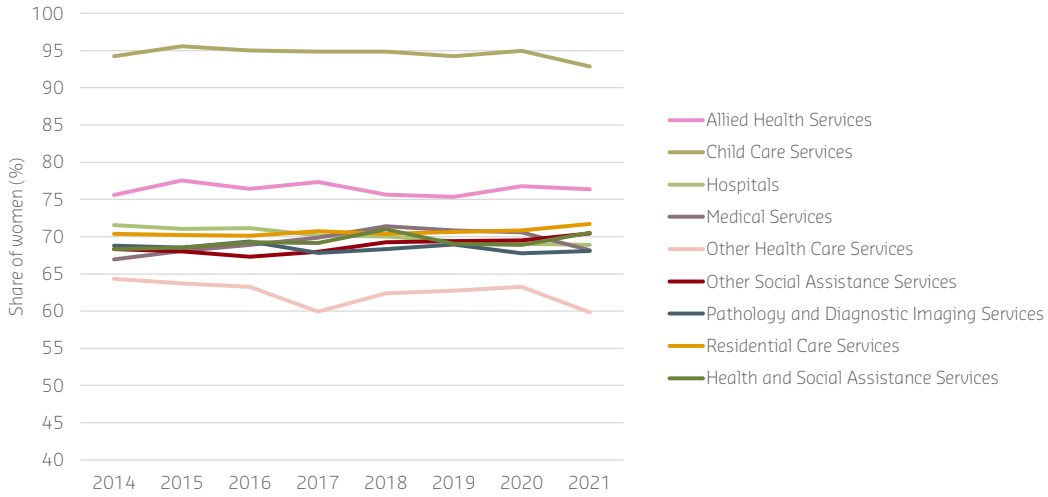


Notes: Salaries are full-time base salaries for employees in companies that have been present in the WGEA data collection since 2014-15.
Source: Bankwest Curtin Economics Centre | Authors' calculations based on WGEA Gender Equality data 2014 to 2020.

As Figure 24 shows, the gender composition of the workforce within the health and social assistance sector has remained relatively unchanged over time. Between 2014 and 2021 the share of women in full-time work in the health and social assistance sector has changed by just 2 percentage points, reaching 71 per cent. Otherwise, there have been small decreases in women's share of the workforce in other health care services (5 percentage points) and hospitals (3 percentage points) sectors.

FIGURE 24

Share of women in health and social assistance sub-divisions: 2014 to 2021



Notes: Shares are for full-time employees in companies that have been present in the WGEA data collection since 2014-15.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on WGEA Gender Equality data 2014 to 2020.

The progression of women's salaries for industry subdivisions within the health and social assistance sector (shown in nominal terms in Table 12) highlight some important contrasts in remuneration in the care sector start since the start of WGEA's data collection in 2014-15.

The most striking comparison in Table 12 is the large pay discrepancy between managers and non-managers in the child care services sector.

We find salaries for non-managers in the child care sector to have grown annually by only 0.4 per cent in nominal terms (and have hence fallen substantially in real terms). This compares to annual growth of 3.5 per cent for managers.

The other social assistance services sector reports average annual growth in salaries of just under 5 per cent - the highest salary growth within the sector.

Salaries for non-managers in the child care sector have grown annually by only 0.4% in nominal terms, and fallen substantially in real terms.

TABLE 12

Annual salary growth for women in the health and social assistance sub-divisions: 2014 to 2021

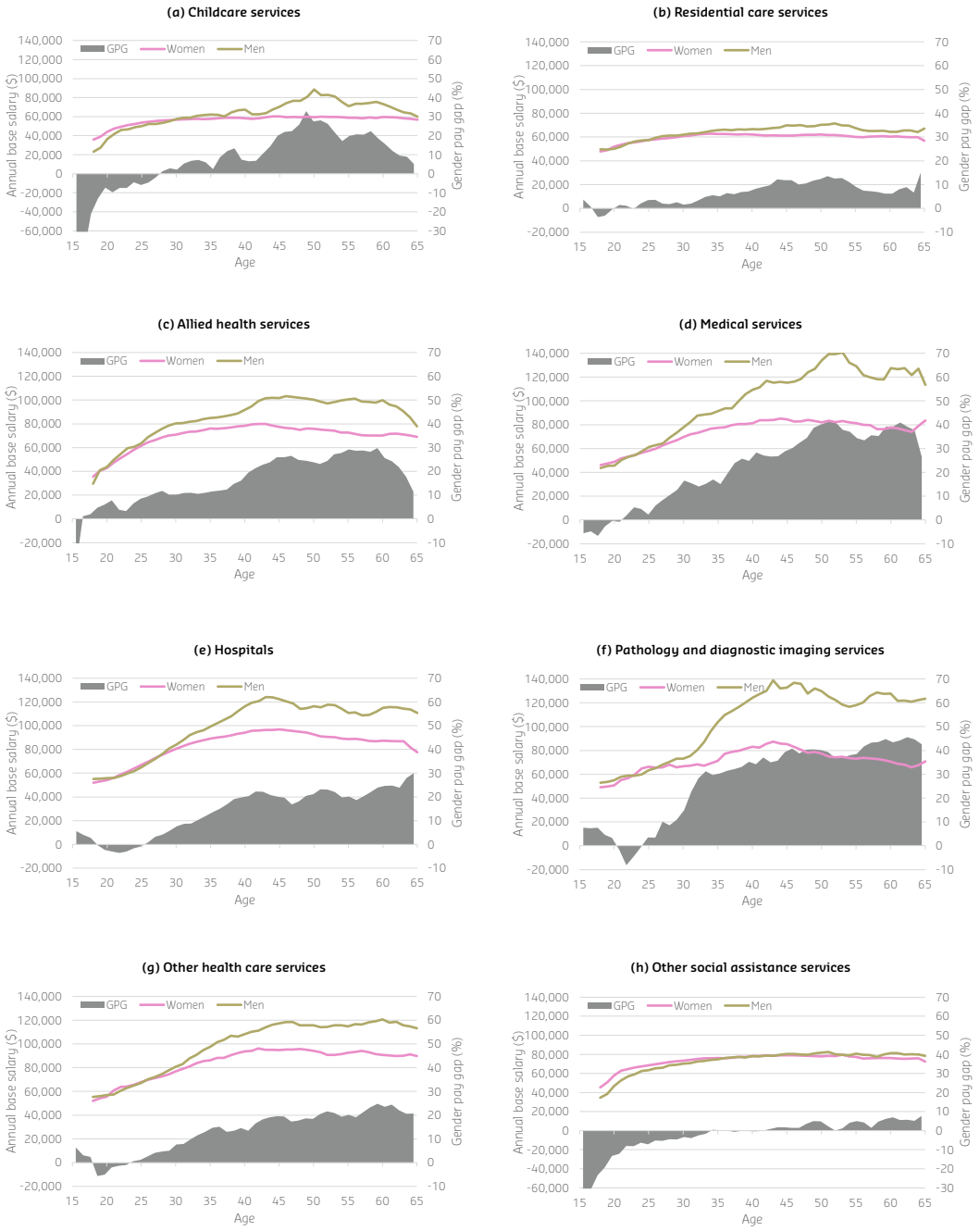
Industry sub-division	Women's base salary ($)								Average annual growth (%)		
All occupations	2014	2015	2016	2017	2018	2019	2020	2021	All workers	Managers	Non-managers
Allied Health Services	60,203	64,320	66,207	67,509	70,845	71,276	73,403	73,989	+3.0%	+1.5%	+2.8%
Child Care Services	55,132	56,406	57,651	60,222	61,775	63,736	63,443	63,518	+2.0%	+3.5%	+0.4%
Hospitals	69,941	72,797	75,770	79,070	81,606	83,655	87,530	87,816	+3.3%	+3.4%	+3.1%
Medical Services	67,098	68,425	71,339	74,146	79,888	83,486	83,307	86,689	+3.7%	+2.5%	+3.1%
Other Health Care Services	73,504	75,961	77,718	79,569	78,600	79,609	82,291	84,110	+1.9%	+3.1%	+1.7%
Other Social Assistance Services	60,468	63,419	65,416	68,435	72,177	74,741	77,796	84,644	+4.9%	+4.4%	+4.9%
Pathology and Diagnostic Imaging	64,808	66,848	69,553	70,317	70,244	72,098	74,348	75,819	+2.3%	+3.1%	+1.8%
Residential Care Services	63,571	67,161	69,416	71,712	74,070	76,844	79,054	80,841	+3.5%	+2.5%	+3.3%
Total	**65,084**	**67,391**	**69,628**	**72,061**	**74,446**	**76,478**	**78,579**	**80,338**	**+3.1%**	**+3.0%**	**+2.8%**

Notes: Salaries are full-time base salaries for employees in companies that have been present in the WGEA data collection since 2014-15.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2014 to 2021.

FIGURE 25

Age-earnings profiles by gender in the health and social assistance sub-divisions: 2020-21



Notes: Values are smoothed using 3 year moving average.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2021.

The analysis of age-earnings profiles for men and women working within the health and social assistance sector points towards important within-sector differences in the evolution of gender pay gaps over the life course (Figure 25). In some parts of the sector, including medical services, pathology and diagnostic imaging services, hospitals and other health care services, the pay trajectories diverge at round the age of 25. In medical services and pathology and diagnostic imaging services, the gender pay gaps rise beyond 40 per cent for workers in their early 50s.

In child care services, on the other hand, the gender pay gap is in favour of women up to the age of 25. However, we see no subsequent changes in women's earnings beyond the age of 25 while men's earnings continue to increase until the age of 50. Residential services is another sector where women's pay trajectories are flat beyond the age of 30.

In other social assistance services, the gender gap is in favour of women until the age of 35 when the wages of women and men converge. Figure 26 plots the average base salaries against the share of women working in care sector industries with the size of the bubble representing the number of people working in each industry.

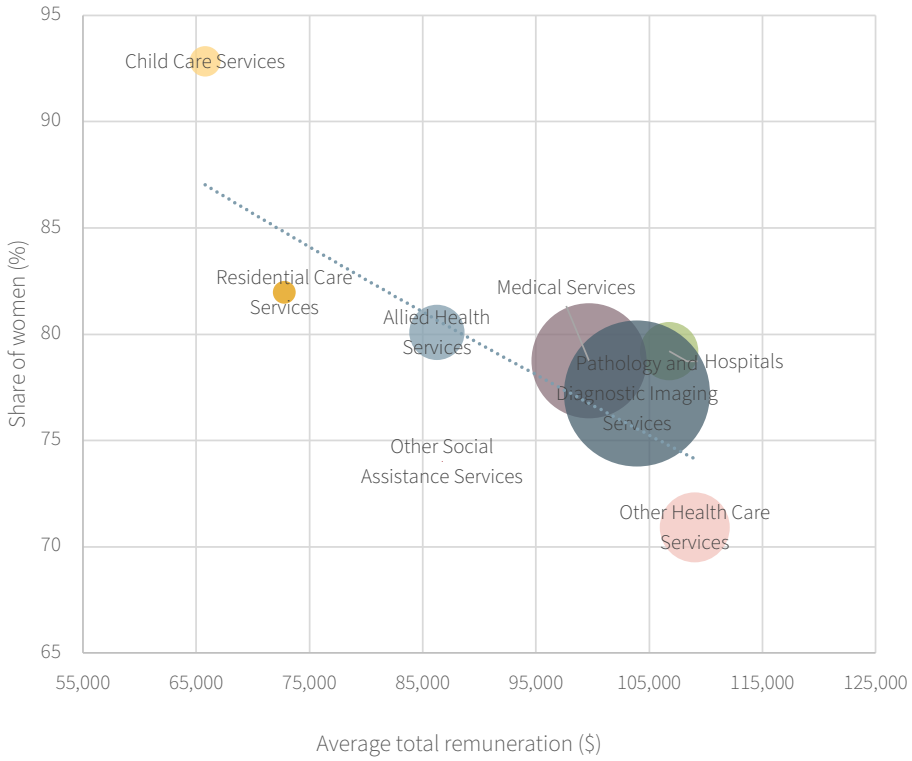
There is a strong negative relationship between the share of women working in the care sector industry and the salary level of that industry, especially for child care services.

This analysis highlights the need for policy focus on the issues of high concentration of women in child care services and the relatively low value placed on caring roles undertaken by women.

This analysis highlights the need for policy focus on the issues of high concentration of women in child care services and the relatively low value placed on caring roles undertaken by women.

FIGURE 26

Average salaries and shares of women working in care sector industries: 2020-21



Notes: Calculations are based on full-time total remuneration.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

"THIS *GENDER EQUITY INSIGHTS* REPORT HAS QUANTIFIED FOR THE FIRST TIME THE IMPACT OF GENDER CONCENTRATION AND SALARY DIFFERENCES ON GENDER PAY GAPS ACROSS AUSTRALIA'S STATES AND TERRITORIES, AND FOR SPECIFIC INDUSTRY SECTORS AND OCCUPATIONS."

CAN A MORE BALANCED GENDER CONCENTRATION ACHIEVE GREATER GENDER EQUITY?

CAN A MORE BALANCED GENDER CONCENTRATION ACHIEVE GREATER GENDER EQUITY?

This *Gender Equity Insights* report has quantified for the first time the impact of gender concentration and salary differences on gender pay gaps across Australia's states and territories, and for specific industry sectors and occupations.

Analysis in this report has again demonstrated the power of the WGEA data collection in drawing new insights on how Australia can achieve greater gender equity, and particularly the roles that businesses and governments can play to ensure that women are not disadvantaged in accessing economic security through employment.

But what is the size of the prize on offer? How much would Australia's gender pay gap be reduced with a more gender balanced workforce?

And here we are talking about gender balance in both directions: increasing the share of women working in male-dominated occupations and industries *and* growing the share of men in female-dominated roles.

HOW WOULD A 40:40:20 GENDER BALANCED WORKFORCE AFFECT GENDER PAY EQUITY?

For the first time, we've been able to model gender concentration scenarios among organisations that report to WGEA.

The industry super fund HESTA established the 40:40 Vision, an initiative that seeks to achieve an executive leadership workforce comprising at least 40 per cent women and 40 per cent men.[9]

For this report, we simulate a world in which the 40:40 vision is extended to *all* industry sectors and *all* occupations by modifying the gender composition of roles in WGEA's employee data.

The modelling works by moving women across industry and occupation boundaries into roles currently occupied by men. The same process is undertaken for men. Each worker inherits the salaries of the employee whose role they take, subject to the same overall gender balance.

Based on the observed shares of women working across different industries and occupations, we reassign roles in the WGEA data to achieve a 40:40:20 gender concentration for **industries** by:

- increasing the share of men working in health care and social assistance, and education and training, and
- increasing the share of women working in construction, mining, manufacturing, information services, transport and wholesale services.

A 40:40:20 gender concentration for **occupations** is modelled by:

- increasing the share of women in leadership positions from CEO through to executive manager, technicians and trades workers and operators and drivers, and
- increasing the share of men working in community and personal service occupations, sales positions, and clerical and administrative services.

Our simulation results give a vivid demonstration of the influence that gender concentration has on gender pay inequity in Australia.

For each state and territory, and relative to the current baseline, Table 13 shows the modelling results of the effects on gender pay gaps of a move towards greater gender balance across industries (the first panel of changes) and across all industries and occupations (the second panel).

Australia's gender pay gap would fall by more than a third, from 23.3 per cent to 15.6 per cent if a 40:40:20 gender concentration were to be achieved across all industries and occupations.

For Western Australia, the gender pay gap in total remuneration would halve from 32.1 per cent to 16.5 per cent if gender balance reached 40:40:20.

9 The campaign has been backed by the Workplace Gender Equality Agency and is supported by many of Australia's most influential organisations.

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For Western Australia, the gender pay gap in total remuneration would halve from 32.1 per cent to 16.5 per cent if gender balance reached 40:40:20.

The effects are even more striking in the Northern Territory, where the gender pay gap would reduce by two thirds, from 25.3 per cent to 8.3 per cent if the workforce was more gender balanced.

New South Wales and Victoria would see gender pay gaps fall by 7.4 and 6.5 percentage points respectively, and Queensland by a larger margin of 8.8 percentage points, from 22.5 per cent down to 13.7 per cent.

The earlier findings in this report show that gender concentration and salary differences work in combination to drive gender pay gaps for many industries and occupations.

To illustrate how salary differences in specific roles contribute to gender pay inequities, the final scenario in Table 13 (the third panel) simulates the incremental effects on gender pay gaps if salaries for care sector[10] and community and personal care workers were to rise by 10 per cent.

Taken together with achieving a 40:40:20 gender balance, a 10 per cent increase in care sector, community sector and personal care salaries would reduce the overall gender pay gap in Australia by 8.3 percentage points to 15.0 per cent compared to the current situation.

The mining and construction sectors would see the greatest reductions in gender pay gaps under a scenario in which their workforces comprised at least 40 per cent women and 40 per cent men across all occupational tiers (Table 14).

The overall gender pay gap within the mining sector would fall by 7.6 percentage points to 6.7 per cent if the sector achieved a 40:40:20 balance of genders across all occupations.

This would happen as a result of more women being able to access more senior and higher paying roles within the sector.

TABLE 13

The effect of a 40:40:20 gender concentration on gender pay gaps, by state and territory: 2020-21

	Baseline	40:40:20 overall gender concentration in all industries		40:40:20 gender concentration in all industries and occupations		40:40:20 gender concentration and 10 per cent growth in care sector salaries	
State or territory	GPG (%)	GPG (%)	Change (ppt)	GPG (%)	Change (ppt)	GPG (%)	Change (ppt)
New South Wales	23.7	19.1	-4.6	16.3	-7.4	15.5	-8.1
Victoria	22.0	17.9	-4.1	15.5	-6.5	14.8	-7.2
Queensland	22.5	16.8	-5.7	13.7	-8.8	13.0	-9.5
South Australia	17.4	12.9	-4.5	11.2	-6.2	10.3	-7.1
Western Australia	32.1	20.6	-11.6	16.5	-15.6	15.8	-16.3
Tasmania	10.4	9.3	-1.1	7.9	-2.5	6.8	-3.6
Northern Territory	25.3	13.5	-11.9	8.3	-17.0	8.1	-17.2
Australian Capital Territory	17.9	15.3	-2.6	13.2	-4.6	12.5	-5.3
AUSTRALIA	**23.3**	**18.4**	**-4.9**	**15.6**	**-7.7**	**15.0**	**-8.3**

Notes: Gender pay gaps are based on total remuneration. A 40:40:20 gender concentration for industries is modelled by (i) increasing the share of men working in education and training, and health care and social assistance, and (ii) increasing the share of women working in construction, mining, manufacturing, information services, transport and wholesale services. A 40:40:20 gender concentration for occupations is modelled by (i) increasing the share of women in senior leadership positions from CEO through to executive manager, among technicians and trades workers and operators and drivers, and (ii) increasing the share of men working in community and personal service occupations, sales positions, and clerical and administrative services.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

10 These are modelled to include child care services, residential aged care and other residential care, allied health, hospitals and social assistance services.

The construction sector could see gender pay gaps fall by 13.4 percentage points to 17.6 per cent if occupations within the sector were more gender balanced.

The fall would be slightly larger if the salaries of personal care workers within the sector were to rise by 10 per cent.

The gender pay gap in the health care and social assistance sector would fall 8.5 percentage points to 6.4 per cent if more men were to work in health sector, and to 6.1 percentage points under a scenario in which salaries grow by 10 per cent.

The changes in average salaries for women and men to achieve narrower gender pay gaps under more gender balanced workforce scenarios are shown in Table 15, both for Australia and separately for each state or territory.

These results are illuminating in that they demonstrate the salary penalty that exists for women, and the salary advantage to men, from the current gender balances across different industries and occupations.

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TABLE 14

The effect of a 40:40:20 gender concentration on gender pay gaps, by industry sector: 2020-21

	Gender concent-ration	Baseline	40:40:20 overall gender concentration in all industries		40:40:20 gender concentration in all industries and occupations		40:40:20 gender concentration and 10 per cent growth in care sector salaries	
Industry sector	Share of women (%)	GPG (%)	GPG (%)	Change (ppt)	GPG (%)	Change (ppt)	GPG (%)	Change (ppt)
Accommodation and Food	54%	6.8	6.8		5.0	-1.8	4.3	-2.5
Administrative and Support	48%	15.4	15.4		12.7	-2.8	12.0	-3.4
Agriculture, Forestry and Fishing	35%	21.0	21.0	-0.3	19.8	-1.2	19.8	-1.2
Arts and Recreation	50%	10.9	10.9		9.5	-1.5	9.0	-2.0
Construction	26%	31.0	20.0	-11.0	17.6	-13.4	17.1	-13.9
Education and Training	66%	10.7	9.6	-1.2	7.7	-3.0	7.5	-3.2
Electricity, Gas, Water and Waste	25%	14.2	14.2	-0.6	11.5	-2.7	11.5	-2.7
Financial and Insurance Services	52%	30.5	30.5		25.7	-4.8	25.7	-4.8
Health Care and Social Assistance	79%	14.8	8.3	-6.6	6.4	-8.5	6.1	-8.8
Information Media and Telecoms	40%	19.1	17.3	-1.8	15.7	-3.3	15.7	-3.4
Manufacturing	27%	14.2	9.3	-5.0	7.9	-6.3	7.9	-6.3
Mining	17%	14.3	5.6	-8.6	6.7	-7.6	6.7	-7.6
Other Services	54%	18.6	18.6		15.6	-3.0	14.3	-4.3
Professional, Scientific and Technical	46%	25.2	25.2		22.8	-2.3	22.8	-2.4
Public Administration and Safety	22%	4.5	2.7	-1.8	1.3	-3.3	2.5	-2.0
Rental, Hiring and Real Estate	39%	23.4	23.4		20.1	-3.3	19.9	-3.5
Retail Trade	60%	13.3	13.3		11.9	-1.4	11.9	-1.4
Transport, Postal and Warehousing	30%	16.9	10.4	-6.5	10.0	-6.9	9.3	-7.5
Wholesale Trade	36%	15.6	13.5	-2.1	12.6	-3.0	12.6	-3.0
AUSTRALIA	**52%**	**23.3**	**18.4**	**-4.9**	**15.6**	**-7.7**	**15.0**	**-8.3**

Notes: Gender pay gaps are based on total remuneration. A 40:40:20 gender concentration for industries is modelled by (i) increasing the share of men working in education and training, and health care and social assistance, and (ii) increasing the share of women working in construction, mining, manufacturing, information services, transport and wholesale services. A 40:40:20 gender concentration for occupations is modelled by (i) increasing the share of women in senior leadership positions from CEO through to executive manager, among technicians and trades workers and operators and drivers, and (ii) increasing the share of men working in community and personal service occupations, sales positions, and clerical and administrative services.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

Moving to a 40:40:20 model of gender concentration would increase national average salaries for women by around $4,700.

The largest increases in average salaries for women would be in Western Australia (rising by $12,150) and the Northern Territory ($11,250), both driven by the level of workers' remuneration in the mining sector.

The average male salary would reduce by $4,900 because of the more even distribution of higher paying roles between women and men.

The incremental effects of increases in care and community sector roles are also apparent from the third panel in Table 15.

TABLE 15

The effect of a 40:40:20 gender concentration on salaries, by gender and industry: 2020-21

			40:40:20 overall gender concentration in all industries		40:40:20 gender concentration in all industries and occupations		40:40:20 gender concentration and 10 per cent growth in care sector salaries	
Industry sector	Average salary ($)		Average salary change ($) relative to baseline		Average salary change ($) relative to baseline		Average salary change ($) relative to baseline	
	Women	Men	Women	Men	Women	Men	Women	Men
Accommodation and Food	52,175	56,000			475	-575	2,575	1,200
Administrative and Support	80,250	94,875			1,525	-1,250	2,850	-450
Agriculture, Forestry and Fishing	67,875	85,900			950	-50	975	-50
Arts and Recreation	76,800	86,250			550	-775	4,825	3,450
Construction	91,775	133,025	14,625	25	17,600	-325	18,350	-125
Education and Training	107,500	120,400		-1,525	800	-3,075	1,525	-2,475
Electricity, Gas, Water and Waste	135,700	158,225			4,275		4,275	
Financial and Insurance Services	116,600	167,850			3,575	-6,100	3,625	-6,075
Health Care and Social Assistance	83,075	97,550		-7,000	600	-8,200	7,875	-700
Information Media and Telecoms	116,475	143,925	2,725	125	4,200	-725	4,250	-675
Manufacturing	94,500	110,175	5,500	50	6,700	-250	6,750	-225
Mining	153,225	178,675	15,075	-350	14,700	1,250	14,725	1,275
Other Services	84,675	104,025			1,600	-1,800	3,850	-700
Professional, Scientific and Technical	110,225	147,325			2,200	-1,625	2,325	-1,575
Public Administration and Safety	78,050	81,775	1,500	25	2,225	-475	6,475	4,950
Rental, Hiring and Real Estate	103,150	134,750			3,375	-1,375	3,750	-1,225
Retail Trade	61,675	71,125			350	-725	375	-725
Transport, Postal and Warehousing	92,775	111,575	7,425	200	8,125	475	9,125	825
Wholesale Trade	98,825	117,125	2,600	125	3,375	-150	3,375	-150
AUSTRALIA	**87,675**	**114,350**	**3,025**	**-3,175**	**4,700**	**-4,900**	**6,550**	**-3,475**

Notes: As for Table 13.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2020-21.

RECOMMENDATIONS FOR ACTION: WHAT SHOULD COMPANIES BE DOING?

RECOMMENDATIONS FOR ACTION: WHAT SHOULD COMPANIES BE DOING?

The *BCEC|WGEA Gender Equity Insights 2022* report breaks new ground in the analysis of the Workplace Gender Equality Agency's comprehensive organisational reporting data.

This most recent report is the first time since the series began that we've been able to look authentically at gender pay outcomes across state jurisdictions and regional areas.

This major innovation takes advantage of new postcode information for employees' places of work in the 2021-22 data collection.

And location matters. Average salaries for men and women differ substantially between states and territories because of variations in industry composition, but also because of different gender concentrations across industry sectors.

Women face a remoteness penalty in the remuneration they can access when working in regional areas of the country.

And age is an important factor in the evolution of gender pay gaps between Australian women and men. This aligns with research by Cassells and Duncan (2019) that identified strong differences by age cohort in the size of the gender pay gap.

Gender concentration increases gender pay gaps

By breaking down the contributions to gender pay gaps in each state, we've been able to capture the extent to which average salary differences have been affected by the dominance of men in higher paying sectors and roles, and the greater shares of women in lower paying roles.

Salary differences between women and men in the same industry or occupation are found to add to gender pay gaps, but for certain industry sectors in particular – especially health care and social assistance, financial and insurance, and professional, scientific and technical services.

The same is true of differences in salary between women and men in leadership roles, in professional occupations and among technicians and trades workers.

Our research also identifies a remoteness penalty that widens the gender pay gap between women and men working in regional parts of the country.

This could be due to workplace cultures or environments that discourage women from accessing roles in regional or remote locations, the absence of flexible work rosters, or a lack of availability of childcare places in remote areas – a "childcare desert" using the term coined in a 2022 Mitchell Institute report.[11]

The age of divergence

WGEA's employee data also include date of birth information for employees, again for the first time since the data collection started.

Building on the Wages and Ages research published by the Workplace Gender Equality Agency in 2022, this *Gender Equity Insights* report shows how gender pay gaps widen with age, but also finds that the 'age of divergence' in average salaries between women and men varies depending on the industry.

For some sectors – for example, financial and insurance services or construction - the gender pay gap emerges from as early as the age of 20.

For other industry sectors – manufacturing or mining, for example - the gender pay gap starts to emerge only beyond age 40.

This suggests not just that older women are progressively less likely to access higher paying roles than male peers in the same age cohort, but more importantly, that this appears to be more extreme for some industries than others.

And roles that have traditionally been dominated by women (for example, care sector roles) are especially prone to flat pay across the life course.

These findings challenge the idea that age-related gender pay gaps stem from differences in family commitments or lifestyle between women and men – were this to be the case, the divergence would be the same regardless of industry sector.

There are likely to be other factors are at play.

11 See Hurley P, Matthews H and Pennicuik S (2022), Deserts and oases: How accessible is childcare? Mitchell Institute, March 2022.

Businesses should pause to consider these findings, and reflect on whether there are any discriminatory attitudes, intentional or otherwise, or actions that can be taken to mitigate against actual or perceived barriers experienced by older women in the workforces.

For what it's worth

The analysis in this report has demonstrated in clear monetary terms how gender concentration limits women's access to economic opportunities through employment.

Our findings show that the overall gender pay gap in Australia can be reduced by up to one third if workplaces are more gender balanced both across industry sector and at occupational levels.

However, that still means that two thirds of the gender pay gap remains to be closed, and salary differences bear a good deal of the responsibility.

Gender concentration does not in and of itself create gender pay gaps. Rather, it is the *interplay* between gender concentration and differences in remuneration between female-dominated and male-dominated industries or roles that drives the overall differences in average salaries between women and men.

Child care, aged and health care sector roles that have traditionally been undertaken by women need to be remunerated in a way that better reflects their value to society, and not just a contemporaneous benefit, but the ongoing value that health and care sector occupations give to society over the medium and longer term.

Breaking barriers - the size of the prize

More job opportunities for women in traditionally male-dominated sectors such as mining, manufacturing, science and technology will drive down gender pay gaps across Australia.

But ensuring that more men consider roles in traditionally female-dominated sectors – and that salaries in such roles reflect their true value to society - is as important as increasing the share of women in male-dominated industry sectors.

Changing the gender composition of a workforce will affect the average salaries paid to women and men, but it does not imply any increase in the size of the salary bill.

Addressing gender concentration doesn't necessarily change *how much* companies are paying, rather it changes *who* they're paying.

And the 2020 BCEC|WGEA Gender Equity Insights report showed that a broader and more diverse workforce is demonstrably better for business (Cassells and Duncan, 2020).

What should businesses do?

Businesses can - and should - be part of the solution.

Gender diversity and the elimination of unconscious bias should be a continued focus in recruitment and promotion practices.

Removing gendered barriers to progression and leadership will have a strong and relatively immediate impact (Cassells and Duncan, 2021).

And a pay equity audit across all levels of occupational seniority is an important and demonstrably effective starting point.

Businesses should continue to explore flexible work models and expand the provision of policies that support family and care responsibilities.

The same is true for policies that address workplace harassment and improve respect at work.

Each of these measures will help to create a greater equality of opportunity regardless of gender or family circumstances, and to build a more inclusive and supportive environment within which all workers can thrive.

GLOSSARY AND TECHNICAL NOTES

About the WGEA Gender Equality Data Collection

This report uses the 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 WGEA Gender Equality datasets, which are a unique data collection within Australia.

The dataset came to existence through the introduction of the Workplace Gender Equality Act 2012, which was legislated to promote and improve gender equality in remuneration and employment within Australian workplaces. The Act requires relevant employers to report annually against a number of Gender Equality indicators.

The dataset is effectively a Census of all private businesses that have 100 or more employees and can be considered population level data. The first reporting year of the WGEA data was 2013-14.

The WGEA Gender Equality dataset is based on approximately 4,500 reports submitted annually by employers in accordance with the Act.

The dataset captures approximately 4.2 million employees, which equates to approximately 40 per cent of all employees in Australia. The WGEA Gender Equality data collection does not cover public sector organisations, and is therefore likely to demonstrate different patterns because of this, particularly when assessing the characteristics of these organisations within industry groupings that have a large public sector presence. It also does not cover small businesses and a significant proportion of medium sized businesses that have less than 100 employees.

FIGURE 27

Full-time earnings profiles by age, gender and industry sector: 2020-21

Notes: Values are smoothed using 3 year moving average.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2021.

FIGURE 27

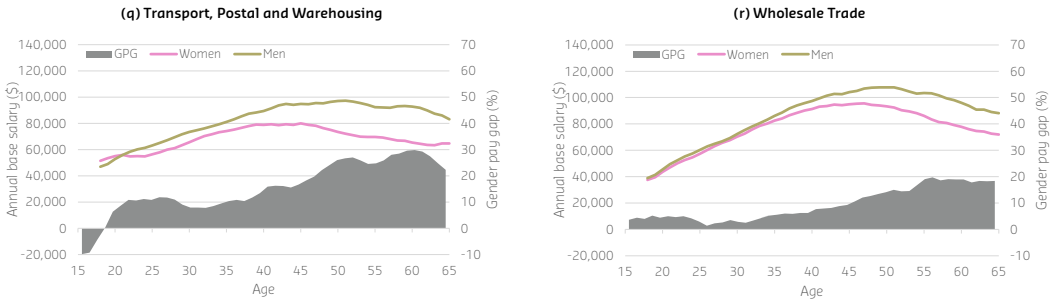
Full-time earnings profiles by age, gender and industry sector: 2020-21 (continued)

Notes: Values are smoothed using 3 year moving average.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2021.

FIGURE 26

Full-time earnings profiles by age, gender and industry sector: 2020-21 (continued)



Notes: Values are smoothed using 3 year moving average.

Source: Bankwest Curtin Economics Centre | Authors' calculations from WGEA Gender Equality data 2021.

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