

Media Release

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New report highlights wide disparity in Australian business's gender pay equality performance

Key findings:

- **Best performing Australian companies reduced gender pay gaps by 5.3pp in 3 years -**
- **Businesses that conducted a pay audit improved their gender pay gaps -**
- **Despite progress, women continue to be excluded from top salaries -**

A new report analysing the gender equality strategies of Australian businesses identifies the most valuable actions employers can take to reduce their gender pay gaps.

The [eighth report in the Gender Equity Insights series](#) from the Bankwest Curtin Economics Centre (BCEC) and the Workplace Gender Equality Agency (WGEA) looks at the gender equality strategies at nearly 4,800 Australian employers to determine what factors are accelerating change and closing gender pay gaps.

Using data reported to WGEA in 2019 and 2022, the report indicates employers that have taken deliberate, long-term action in their workplaces get results, finding **the best performing Australian companies recorded a 5.3pp drop in their gender pay gaps in three years.**

However, the analysis also exposes a deep divide within industry sectors between the best performing businesses – those that are making progress to close their gender pay gaps – and the worst performers. Mining, manufacturing and retail trade as well as the professional, scientific and technical services sector are among the industry sectors where this difference is most pronounced.

Report author and Bankwest Curtin Economics Centre Director John Curtin Distinguished Professor Alan Duncan said the report used a new 'maturity framework' to help organisations identify, measure and implement practical policies and actions that can drive improved workplace gender equality outcomes.

"Focusing on industry-wide changes to gender pay equality and women's workforce representation can hide some significant differences in progress between businesses," Professor Duncan said.

"For example, the most advanced businesses in the mining sector are seven times more likely to set targets to reduce gender pay gaps and four times more likely to report pay equity metrics to senior executives compared to businesses that are early on in their journey towards workplace gender equity.

"While progress is being made, the reality is that closing the gender pay gap is still many years off for a large share of Australian businesses."

The new report compares the policies and actions of companies that are advanced in their approach to gender equality against those that are early in their journey, to develop a new roadmap to inform employer action. The analysis benchmarks the performance of organisations based on their approach to pay equity strategies, recruitment and retention and other policies and actions aimed at driving progress, such as parental leave, family and caregiving, and sex-based harassment.

“We found businesses that reach higher maturity levels in their approach to gender equality achieve far stronger results than organisations at lower levels of maturity,” Professor Duncan said.

“When organisations implement pay equity audits and report gender pay metrics to their senior leadership and governing boards, we see a greater pace of change.

“The best performing businesses also have enhanced parental leave provision for secondary as well as primary carers, as well as reporting, training, and accountability for flexible work.”

Maintaining the highest levels of maturity in workplace gender equity requires significant and sustained long-term efforts, not only in the persistent application of policies and strategies but also in the continuity of actions implemented following gender pay audits,” Professor Duncan said.

Mary Wooldridge, WGEA Chief Executive Officer, said the new analysis further signalled the benefit of action.

“Employers who do more, achieve more,” Ms Wooldridge said, “this analysis shows that when employers pursue a deliberate strategy of long-term, meaningful change they are achieving progress to close their gender pay gaps.”

“We need to accelerate the pace of change. Legislative reforms passed by the Parliament in March this year that require WGEA to publish employer gender pay gaps for the first time in early 2024 and require companies to provide their WGEA reports to their Board aim to encourage action through increased transparency and accountability.

“International experience indicates publishing the individual gender pay gap results of companies is an important step that can accelerate change.

“Industry averages can mask the true picture of progress. Publishing employer gender pay gaps offers a deeper insight into industry performance and business performance that may have been hidden by averages in the past.

“This new roadmap can help companies look at their policies and develop actions to better inform their own pathway for improvement.”

Report co-author, Associate Professor Astghik Mavisakalyan, also from the BCEC, said consultation through employee surveys, consultative bodies and Boards was an important enabler of progress for businesses aspiring to higher levels of gender equity maturity.

“Businesses should plan for continual improvements, enhanced actions and higher standards of practice in gender equality policies as internal and external expectations develop,” Associate Professor Mavisakalyan said.

“Business leaders need to be careful not to focus attention on one employee group at the expense of others. For example, a commitment to progress gender equality for managers and executives should not diminish the attention given to improving gender equality outcomes among non-managerial occupations.

“Gender diversity in decision-making and on Boards is a key driver of organisational change. While there’s been progress in the past three years, employers must keep up the pace to avoid leaving women under-represented in the boardroom for decades to come.”

Professor Duncan said the report showed there was still a broad opportunity to accelerate change, despite growing public awareness of gender equality issues, including as a priority policy area for government and business.

“Crucially, the report provides a roadmap to organisations to support continuous improvement towards gender equality within their workplaces and, in doing so, ensure we do not derail the progress of women’s economic equality in Australia,” Professor Duncan said.

Key findings:

- The leading 25% of businesses for improved gender pay equity reduced gender pay gaps within their organisations by at least 5.3pp over three years.
- 28% of businesses improved their approach to gender equity over the past three years by raising their maturity by at least one level.
- The best quarter of businesses for increasing the percentage of female workers lifted the share of women in their workforces by 2.5pp in three years.
- While progress has been made, women continue to be under-represented among the top 20 per cent of earners in most industry sectors.
- Around 50% of businesses analysed in this dataset conducted a pay gap analysis in the past year but only one-tenth report pay equity metrics to Executives and Boards.
- The median improvement in the gender pay gap more than doubles over three years for businesses that undertake a gender pay gap audit.
- The share of female manager resignations rose by 2.6pp for businesses at base maturity but reduced by 0.3pp among businesses with highest maturity.
- The share of female board members increased by 3.3pp in three years for businesses that improved their gender equity maturity by at least one level.

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Background:

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 Commonwealth Bank of Australia.

The 2021-22 WGEA Gender Equality dataset is based on nearly 4,800 employer reports submitted to WGEA in accordance with the *Workplace Gender Equality Act 2012*. Information was provided for 1 April 2021 to 31 March 2022 reporting. The dataset covers around 4.5 million employees, accounting for approximately 40 per cent of all employees in Australia.

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

Notes to the Editor:

Gender Equity Insights 2023 draws insights from information reported to WGEA by employers in 2018-19 and 2021-22 reporting. To ensure comparability of the dataset, only those employers that reported in both 2018-19 and 2021-22 gender equality reporting have been included in the dataset.

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

Interviews with the report authors and a WGEA spokesperson are available to be pre-scheduled, including print, online, radio and television.

Media Enquiries:

Joanna Holcombe, Industry Engagement Coordinator, Bankwest Curtin Economics Centre

Tel: (08) 9266 2873; Mobile: 0414 313 521;

Email: joanna.holcombe@curtin.edu.au

Web: bcec.edu.au

Twitter: [@BankwestCurtinEC](https://twitter.com/BankwestCurtinEC)

Lucien Wilkinson, Corporate Communications Consultant, Curtin University

Tel: (08) 9266 9185

Mobile: 0401 103 683

Email: lucien.wilkinson@curtin.edu.au

Web: <http://news.curtin.edu.au/media-centre/>

Twitter: [@CurtinMedia](https://twitter.com/CurtinMedia)

Emma Manser, Media & Communications Manager, Workplace Gender Equality Agency

Mobile: 0437 225 386

Email: Emma.Manser@wgea.gov.au

Web: <https://www.wgea.gov.au/>

Twitter: <https://twitter.com/WGEAgency>